

FINAL AGENDA

***A M E N D E D**

REGULAR COUNCIL MEETING
TUESDAY
JUNE 19, 2018

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:30 P.M. AND 6:00 P.M.

4:30 P.M. MEETING

Individual Items on the 4:30 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 EVANS

VICE MAYOR WHELAN

COUNCILMEMBER BAROTZ

COUNCILMEMBER MCCARTHY

COUNCILMEMBER ODEGAARD

COUNCILMEMBER OVERTON

COUNCILMEMBER PUTZOVA

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 for all.

4. **PUBLIC PARTICIPATION**

Public Participation enables the public to address the Council about an item that is not on the agenda. 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.

5. **PROCLAMATIONS AND RECOGNITIONS**

6. **LIQUOR LICENSE PUBLIC HEARINGS**

- A. **Consideration and Action on Liquor License Application:** Jeffrey Miller, "Bandera Craft Tacos & Margaritas", 11 E. Aspen Ave., Series 12 (restaurant), New License.

STAFF 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 a recommendation for denial based on information from staff, the testimony received at the public hearing and/or other factors.

7. **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 Contract:** Annual Computer Software Maintenance Agreements .

STAFF RECOMMENDED ACTION:

Approve payment of annual software maintenance costs in a budgeted amount not to exceed \$662,547.46, plus any applicable taxes pursuant to contracts with:

- Microsoft Enterprise Agreement (Arizona State Procurement Contract No.ADSP017-149774; new City Contract No. TER-2018-004-AG1), \$195,065.82, and approve the new contract;
- SirsiDynix (Library) (New City Contract No. TER-2018-006-AG1; standard terms and conditions other than pricing per established City Contract No. A2000-1023.1 as amended 10/23/2000), \$87,607.58;
- Hexagon (Formerly Intergraph Corp.) (Public Safety), approve a one year contract in an amount of \$232,797.80 plus any applicable taxes (City Contract No. TER-2018-005-AG1);
- Harris Computer Corporation (City Contract No. TER-2018-001-AG1; old City Contract No. A2012-0619), \$147,076.26.

- B. **Consideration and Approval of Purchase:** Five (5) 2018 Ford Police Interceptor Utility Vehicles in the amount of \$151,015.24 from PFVT Motors, LLC (Peoria Ford).

STAFF RECOMMENDED ACTION:

Approve the purchase of five (5) 2018 Ford Police Interceptor Utility Vehicles at a total price of \$151,015.24 (includes all applicable taxes and fees) from Peoria Ford.

- C. **Consideration and Approval of Contract:** Approve the purchase of utility water meters from Core & Main, LP in an amount not to exceed the FY19 budgeted amount for the utility water meter replacement program.

STAFF RECOMMENDED ACTION:

Approve the purchase of utility water meters from Core & Main, LP per the attached list of items and associated pricing in an amount not to exceed the FY19 budgeted amount for the utility water meter replacement program; and authorize the City Manager to execute the necessary documents.

8. **ROUTINE ITEMS**

- A. **Consideration and Adoption of Resolution No. 2018-27:** A resolution of the City Council of the City of Flagstaff, Arizona declaring that certain document known as "the 2018 Business License Regulations" as a public record; **and Ordinance No. 2018-22,** an ordinance of the City Council of the City of Flagstaff, Arizona, amending the Flagstaff City Code, Title 3, *Business Regulations*, Chapters 3-01, 3-03, 3-05, and 3-0810, by updating business licensing regulations to obtain a more complete picture of the Flagstaff business community, simplify licensing procedures, and update licensing fees; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date. (*Business license updates*)

STAFF RECOMMENDED ACTION:

- 1) Adopt Resolution No. 2018-27
- 2) Read Ordinance No. 2018-22 by title only for the final time
- 3) City Clerk reads Ordinance No. 2018-22 by title only (if approved above)
- 4) Adopt Ordinance No. 2018-22

- B. **Consideration and Approval of Contract:** Third Amendment to Commercial Lease by and between the City of Flagstaff and the Southside Community Association Inc., an Arizona non-profit corporation.

STAFF RECOMMENDED ACTION:

Approve the Third Amendment to Commercial Lease by and between the City of Flagstaff (Lessor) and the Southside Community Association Inc., an Arizona non-profit corporation (Lessee) for the use of the Murdoch Building at 203 E. Brannen Avenue, City of Flagstaff, Arizona.

- C. **Consideration and Adoption of Ordinance No. 2018-21:** An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 10, the City of Flagstaff Zoning Code, Chapter 10-20, Administration, Procedures, and Enforcement, Division 10-20.30, Common Procedures, Section 10-20.30.100, Final Decisions and Division 10-20.80, Procedures for Appeals, Section 10-20.80.030, Appeals of Permits and Other Approvals, providing for repeal of conflicting ordinances, severability, and establishing an effective date.

STAFF RECOMMENDED ACTION:

At the June 19, 2018 Council Meeting:

- 1) Read Ordinance No. 2018-21 by title only for the final time
- 2) City Clerk reads Ordinance No. 2018-21 by title only (if approved above)
- 3) Adopt Ordinance No. 2018-21

- D. **Consideration and Possible Adoption of Ordinance No. 2018-24:** An ordinance of the Flagstaff City Council, authorizing the City Manager or his or her designees to acquire improved real property located at 2323 N. Walgreens Street and establishing an effective date; and approval of a **Purchase Contract** with Hilton Harris Real Estate as broker for the seller of the improved real property at 2323 N. Walgreens Street and subject to the contingencies described in the contract.

STAFF RECOMMENDED ACTION:

At the June 19, 2018 Council Meeting:

- 1) Read Ordinance No. 2018-24 by title only for the first time
- 2) City Clerk reads Ordinance No. 2018-24 by title only (if approved above)

At the July 3, 2018 Council Meeting:

- 3) Read Ordinance No. 2018-24 by title only for the final time
- 4) City Clerk reads Ordinance No. 2018-24 by title only (if approved above)
- 5) Adopt Ordinance No. 2018-24
- 6) Approve Purchase Contract

- E. **Consideration and Approval of Cooperative Contract:** Approve the purchase of Sewer and Manhole Video Inspection Equipment and a Vehicle through a cooperative purchase contract with EnviroSight, LLC in the amount of \$299,614.80.

STAFF RECOMMENDED ACTION:

Approve the purchase of Sewer and Manhole Video Inspection Equipment and a Vehicle from EnviroSight, LLC through the Sourcewell (formerly known as the National Joint Powers Alliance) cooperative purchase Contract No. 022014-EVS for \$299,614.80, plus applicable tax; and authorize the City Manager to execute the necessary documents.

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).

9. ROLL CALL

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

MAYOR EVANS

VICE MAYOR WHELAN

COUNCILMEMBER BAROTZ

COUNCILMEMBER MCCARTHY

COUNCILMEMBER ODEGAARD

COUNCILMEMBER OVERTON

COUNCILMEMBER PUTZOVA

10. PLEDGE OF ALLEGIANCE

11. PUBLIC PARTICIPATION

12. CARRY OVER ITEMS FROM THE 4:30 P.M. AGENDA

13. PUBLIC HEARING ITEMS

- A. Public Hearing:** "Truth in Taxation", FY 2018-2019 Budget and Property Tax Levy (combined).

STAFF RECOMMENDED ACTION:

- 1) Open the public hearing
- 2) Receive citizen input
- 3) Close the public hearing
- 4) Convene Special Meeting

B. SPECIAL MEETING

- i. Consideration and Adoption of Resolution No. 2018-31:** A resolution of the Council of the City of Flagstaff, Arizona, adopting the Budget for Fiscal Year 2018-19.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-31 by title only
- 2) City Clerk reads Resolution No. 2018-31 by title only (if approved above)
- 3) Adopt Resolution No. 2018-31
- 4) Adjourn Special Meeting and reconvene Regular Meeting

14. REGULAR AGENDA

A. Approve a Primary Property Tax Levy of \$6,707,510 in FY 2018-2019 (a 7.4% increase in levy from FY 2017-2018 plus amounts attributable to new construction) by roll call vote.

AND

Consideration and Adoption of Ordinance No. 2018-23: 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, 2019. **(Primary and secondary property tax levies for FY 2018-2019)**

STAFF RECOMMENDED ACTION:

1. ROLL CALL VOTE:

Approve the proposed increase in the primary property taxes by roll call vote as required by "Truth in Taxation" legislation.

2. ORDINANCE:

At the June 19, 2018 Council Meeting:

- 1) Read Ordinance No. 2018-23 by title only for the first time
- 2) City Clerk reads Ordinance No. 2018-23 by title only (if approved above)

At the July 3, 2018 Council Meeting:

- 3) Read Ordinance No. 2018-23 by title only for the final time
- 4) City Clerk reads Ordinance No. 2018-23 by title only (if approved above)
- 5) Adopt Ordinance No. 2018-23

B. Consideration and Adoption of Ordinance No. 2018-25: An ordinance amending Section 1-07-001-0005, *Salaries*, of the Flagstaff City Code and establishing an effective date.

STAFF RECOMMENDED ACTION:

At the June 19, 2018 Council Meeting:

- 1) Read Ordinance No. 2018-25 by title only for the first time
- 2) City Clerk reads Ordinance No. 2018-25 by title only (if approved above)

At the July 3, 2018 Council Meeting:

- 3) Read Ordinance No. 2018-25 by title only for the final time
- 4) City Clerk reads Ordinance No. 2018-25 by title only (if approved above)
- 5) Adopt Ordinance No. 2018-25

- C. **Consideration and Possible Action:** Calling of a Special Election for November 6, 2018, to address various questions and to review proposed language for the Sustainable Wages Initiative.

STAFF RECOMMENDED ACTION:

Please see individual agenda items below.

- i. **Consideration and Adoption of Resolution No. 2018-32:** A resolution of the Flagstaff City Council calling a Special Election of the City for November 6, 2018, in conjunction with the City's General Election, to submit a question to the registered voters of Flagstaff with respect to continuation of the levy of three existing transaction privilege/sales taxes expiring in 2020 as a single rate of 0.426% for roadway, pedestrian, bicycle and safety improvements.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-32 by title only
- 2) City Clerk reads Resolution No. 2018-32 by title only (if approved above)
- 3) Adopt Resolution No. 2018-32

- ii. **Consideration and Adoption of Resolution No. 2018-33:** A resolution of the Flagstaff City Council calling a Special Election of the City for November 6, 2018, in conjunction with the City's General Election, to submit a question to the qualified electors of Flagstaff with respect to a separate sales tax for the design, construction, and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-33 by title only
- 2) City Clerk reads Resolution No. 2018-33 by title only (if approved above)
- 3) Adopt Resolution No. 2018-33

- iii. **Consideration and Adoption of Resolution No. 2018-34:** A resolution of the Flagstaff City Council approving the submission of a question to the qualified electors of Flagstaff at the November 6, 2018, General/Special Election with respect to a separate sales tax for increasing transit services.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-34 by title only
- 2) City Clerk reads Resolution No. 2018-34 by title only (if approved above)
- 3) Adopt Resolution No. 2018-34

- iv. **Consideration and Adoption of Ordinance/Resolution No. 2018-35:** A resolution of the Flagstaff City Council calling a Special Election of the City for November 6, 2018, in conjunction with the City's General Election, to submit a question to the qualified electors of Flagstaff with respect to selling and issuing general obligation bonds in the aggregate principal amount of \$25,000,000 to improve housing affordability, to be repaid with secondary property taxes.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-35 by title only
- 2) City Clerk reads Resolution No. 2018-35 by title only (if approved above)
- 3) Adopt Resolution No. 2018-35

- v. ~~Consideration and Direction of~~ **INFORMATION AND UPDATE ON Sustainable Wages Initiative Ballot Question**

- D. **Consideration of Appointments:** City Council Representative and Alternate to the NAIPTA Executive Board.

STAFF RECOMMENDED ACTION:

Appoint Vice Mayor Whelan as a City Council Representative, and Councilmember Jim McCarthy as an Alternate, on the NAIPTA Executive Board.

15. **DISCUSSION ITEMS**

- A. **City Policies and Procedures for Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ).**

16. **COUNCIL LIAISON REPORTS**

17. **INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, FUTURE AGENDA ITEM REQUESTS**

18. **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 _____, 2018.

Elizabeth A. Burke, MMC, City Clerk

6. A.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Action on Liquor License Application: Jeffrey Miller, "Bandera Craft Tacos & Margaritas", 11 E. Aspen Ave., Series 12 (restaurant), New License.

STAFF 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 a recommendation for denial based on information from staff, the testimony received at the public hearing and/or other factors.

Executive Summary:

The liquor license process begins at the State level and applications are then forwarded to the respective municipality for posting of the property and holding a public hearing, after which the Council recommendation is forwarded back to the State. A Series 12 license allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food. Bandera Craft Tacos & Margaritas is a new restaurant in Flagstaff; if approved it will be the 97th active series 12 license in Flagstaff. Series 12 licenses are non-quota licenses.

The property has been posted as required, and the Police and Community Development divisions have reviewed the application and provided their respective reports.

Financial Impact:

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

Policy Impact:

Not applicable.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Liquor licenses are a regulatory action and there is no Council goal that applies.

Has There Been Previous Council Decision on This:

Not applicable.

Key Considerations:

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

The deadline for issuing a recommendation on this application is July 3, 2018.

Community Benefits and Considerations:

This business will contribute to the tax base of the community.

Community Involvement:

The application was properly posted on May 29, 2018. No written protests have been received to date.

Attachments: [Bandera - Letter to Applicant](#)
 [Hearing Procedures](#)
 [Series 12 Description](#)
 [Bandera - Map](#)
 [Bandera - PD Memo](#)
 [Bandera - Code Memo](#)

OFFICE OF THE CITY CLERK

June 6, 2018

Bandera Craft Tacos and Margaritas
Attn: Jeffrey Miller
PO Box 2502
Chandler, AZ 85244

Dear Mr. Miller:

Your application for a new Series 12 liquor license for Bandera Craft Tacos and Margaritas at 11 E. Aspen Ave., was posted on May 29, 2018. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, June 19, 2018 which begins at 4:30 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 is set to expire on June 18, 2018 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, CMC
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 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. The presiding officer will then close the public hearing.
8. The Council will then, by motion, vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

R19-1-702. Determining Whether to Grant a License for a Certain Location

- A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:
1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;
 2. Number and types of licenses within one mile of the proposed premises;
 3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;
 4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;
 5. Residential and commercial population density within one mile of the proposed premises;
 6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;
 7. Effect on vehicular traffic within one mile of the proposed premises;
 8. Compatibility of the proposed business with other activity within one mile of the proposed premises;
 9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;
 10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;
 11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and
 12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.
- B. This Section is authorized by A.R.S. § 4-201(I).

License Types: Series 12 Restaurant License

Non-transferable

On-sale retail privileges

Note: Terms in **BOLD CAPITALS** are defined in the [glossary](#).

PURPOSE:

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

An applicant for a restaurant license must file a copy of its restaurant menu and Restaurant Operation Plan with the application. The Plan must include listings of all restaurant equipment and service items, the restaurant seating capacity, and other information requested by the department to substantiate that the restaurant will operate in compliance with Title 4.

The licensee must notify the Department, in advance, of any proposed changes in the seating capacity of the restaurant or dimensions of a restaurant facility.

A restaurant licensee must maintain complete restaurant services continually during the hours of selling and serving of spirituous liquor, until at least 10:00 p.m. daily, if any spirituous liquor is to be sold and served up to 2:00 a.m.

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.

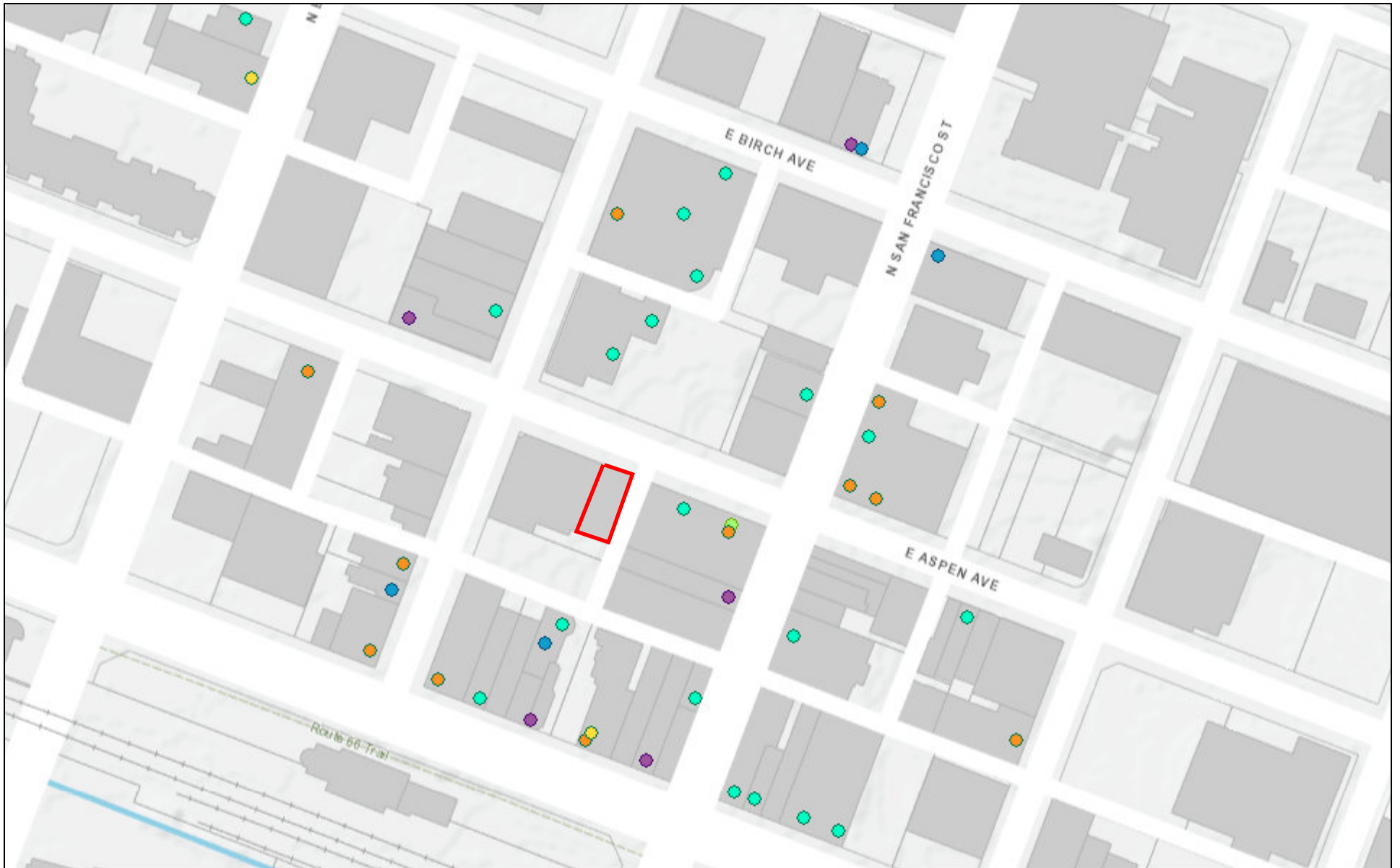
A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept **DELIVERY** of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

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.

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.

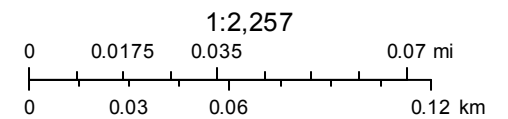
ArcGIS Web Map

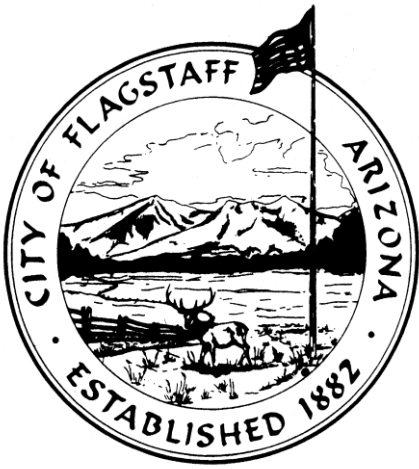


6/6/2018, 10:36:57 AM

businessLocations

- | | | |
|---|---|--|
| ● Restaurant | ● Beer and Wine Bar | ● In State Producer |
| ● Beer and Wine Store | ● Bar | |
| ● In State Microbrewery | | |





FLAGSTAFF POLICE DEPARTMENT

911 SAWMILL RD • FLAGSTAFF, ARIZONA 86001 • (928) 779-3646

ADMIN FAX (928) 213-3372

TDD 1-800-842-4681



Chief of Police
Kevin D. Treadway

MEMORANDUM

Memo #18-048

TO: Chief Dan Musselman

FROM: Sgt. Collin Seay

DATE: May 30, 2018

RE: LIQUOR LICENSE APPLICATION – SERIES 12- FOR “Bandera Craft Tacos and Margaritas”

On May 30, 2018, I initiated an investigation into an application for a series 12 (restaurant) liquor license filed by Jeffrey Miller (Agent), Donald Hulen (Controlling Person), and Sarah Padmos (Controlling Person). Bandera Craft Tacos and Margaritas is located at 11 E Aspen Avenue, and the previous tenant at this location was the Grill at Mountain Oasis. This is an application for a new series 12 license #20309.

I conducted a query through local systems and public access on Jeffrey, Donald, and Sarah, and no derogatory records were found on any of the applicants. All three have both taken the mandatory liquor law training and have provided proof with the application. I conducted a search of the current and previous liquor licenses that Donald and Sarah possess, and Donald possesses another Series 12 license at Southside Restaurant and Tavern, 117 S San Francisco St. There have been no citations against the license at the time of this investigation.

I contacted Donald Hulen over the phone to discuss the new Series 12 license. He advised me that the business was currently operating under a temporary liquor license from Mountain Oasis. He advised me the business hours would be from 10 am to 10 pm on Sundays through Thursdays and from 10:30 am to 2 am on Fridays and Saturdays. I informed Hulen of the city council date, and he advised he would try to be present for any additional questions.



Planning and Development Services Memorandum

To: Stacy Saltzburg, Deputy City Clerk
From: Reggie Eccleston, Code Compliance Manager
CC: Dan Folke, Planning Director
Date: June 1, 2018
Re: Application for Liquor License #20309
11 E. Aspen Ave., Flagstaff, Arizona 86001
Assessor's Parcel Number 100-20-013
Jeffrey Miller on behalf of Bandera Craft Tacos and Margaritas

This application is a request for a new Series 12 Restaurant liquor license by Jeffrey Miller on behalf of Bandera Craft Tacos and Margaritas. This business is located within the Central Business district. This district does allow for this use.

There are no active Zoning Code violations associated with the applicant or the property at this time.

7. A.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Wayne Anderson, IT Manager - Applications
Co-Submitter: Ladd Vagen
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Approval of Contract: Annual Computer Software Maintenance Agreements.

STAFF RECOMMENDED ACTION:

Approve payment of annual software maintenance costs in a budgeted amount not to exceed \$662,547.46, plus any applicable taxes pursuant to contracts with:

- Microsoft Enterprise Agreement (Arizona State Procurement Contract No. ADSP017-149774; new City Contract No. TER-2018-004-AG1), \$195,065.82, and approve the new contract;
- SirsiDynix (Library) (New City Contract No. TER-2018-006-AG1; standard terms and conditions other than pricing per established City Contract No. A2000-1023.1 as amended 10/23/2000), \$87,607.58;
- Hexagon (Formerly Intergraph Corp.) (Public Safety), approve a one year contract in an amount of \$232,797.80 plus any applicable taxes (City Contract No. TER-2018-005-AG1);
- Harris Computer Corporation (City Contract No. TER-2018-001-AG1; old City Contract No. A2012-0619), \$147,076.26.

Executive Summary:

Policy Decision or Reason for Action:

- Annual Payments are issued to provide ongoing software licensing support and maintenance as necessary.
- The attached schedule outlines the anticipated expenditures for fiscal year 2019.
- Actual costs may vary from attached draft invoices and therefore approval is sought for "amount not to exceed."

Decision Points:

Annual purchase orders pursuant to contracts provide for the means to conduct day-to-day activities of the City without delay.

Financial Impact:

Purchases are budgeted in the department division's budget for software maintenance. The overall cost for these software maintenance agreements for FY 2019 is expected to increase by approximately \$50,268.72 due to increases in the consumer price index (CPI), expanded service needs.

The Microsoft Enterprise Agreement applications cost has increased in order to cover the City's increased user base and to migrate the City to Office 365 and an increase in users accounts.

Policy Impact:

N/A

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics.

Has There Been Previous Council Decision on This:

Yes. This is an annual review.

Options and Alternatives:

- 1.) Approve the recommended action as submitted;
- 2.) Present to Council the software maintenance support services exceeding the bid threshold on an individual basis.

Background/History:

IT and Purchasing have presented a comprehensive master list outlining computer software maintenance and support services. City staff's recommendation is to receive payment authorization as one action item at the onset of the fiscal year.

The City has existing contracts with all vendors. Hexagon (formerly Intergraph) requires a new contract on an annual basis, with its current terms (attached). Microsoft also requires approval of its updated terms and conditions annually (attached).

City also has existing software maintenance contracts with ESRI and Superion, which contracts have been previously approved by Council and the contract amounts are unchanged for FY18-19..

Key Considerations:

Software maintenance and support services are being acquired from designated vendors from whom we purchased the computer software.

Expanded Financial Considerations:

Ongoing maintenance and support services assure the City the latest product enhancements and technical support that is critical in support of the City's computer infrastructure.

Community Benefits and Considerations:

N/A

Community Involvement:

Inform.

Attachments: [Hexagon-Intergraph 2019 Public Safety](#)
 [Microsoft FY 2019 COF Contract](#)
 [SirsiDynix Library contract](#)

MAINTENANCE QUOTATION SUMMARY



Agreement: 1-1JFC2DF

Performance Period: 7/1/18 through 6/30/19
Currency: USD

Bill To:

Flagstaff AZ City Of
Accounts Payable
City Hall
211 West Aspen Avenue
Flagstaff AZ 86001
USA

Ship To:

Flagstaff AZ City Of
Jennifer Brown
Police Department
911 East Sawmill Road
Flagstaff AZ 86001
USA

Quotation Summary:

SW Maint	\$232,297.80
Services	\$500.00
Total Services Cost*	\$232,797.80

*** Total is exclusive of applicable taxes. Applicable taxes will be added to the invoice.**

The maintenance services quoted herein are subject to the attached Hexagon Safety & Infrastructure Maintenance Terms and Conditions. This agreement shall only become binding and effective upon the written acceptance by Hexagon Safety and Infrastructure. This quotation expires ninety (90) days from the date of issue by Hexagon Safety and Infrastructure.

THIS IS NOT AN INVOICE

Offered by: Intergraph Corporation

Accepted by: _____

Signature: _____

Name: Harrison Gough
Maintenance Contract Administrator

Date: 2/27/18

Email: harrison.gough@hexagonsi.com

Telephone: 2567305851

Signature: _____

Name: _____

Title: _____

Date: _____

Email: _____

Telephone: _____

Fax: _____

Please mark one of the following options when submitting your acceptance:



A Purchase Order will not be issued.
Customer signature above constitutes notice to proceed with this agreement.



A Purchase Order will be issued and shall reference the terms and conditions of above referenced quote.

MAINTENANCE QUOTATION DETAIL



Flagstaff AZ City Of

Account Nbr: MDC-1320

Quote: 1-1JFC2DF Flagstaff AZ City Of 18-19

PO#:

Performance Period: 7/1/18 through 6/30/19

Currency: USD

Bill To:

Flagstaff AZ City Of
Accounts Payable
City Hall
211 West Aspen Avenue
Flagstaff AZ 86001
USA

Ship To:

Flagstaff AZ City Of
Jennifer Brown
Police Department
911 East Sawmill Road
Flagstaff AZ 86001
USA

Site Number: 00098398

Ln	Base Part	Description	Serial	Begin	End	Service Level	Mths	Qty	Mth Cost	Total Cost
1	IPS0002TRN	I/Dispatcher - Training License	MME-1-AIPAR	7/1/18	6/30/19	Premium	12	1	\$351.75	\$4,221.00
2	IPS0004	I/Informer	MME-1-XXGW	7/1/18	6/30/19	Premium	12	2	\$470.40	\$11,289.60
3	IPS0004A	I/Informer to I/LEADS NL	1-288980758	7/1/18	6/30/19	Premium	12	1	\$0.00	\$0.00
4	IPS0007	I/Executive 2 NL	MME-1-XXH0	7/1/18	6/30/19	Premium	12	1	\$552.30	\$6,627.60
5	IPS0009	I/Mobile Data Terminal NL	MME-1-9P9BA	7/1/18	6/30/19	Premium	12	1	\$939.75	\$11,277.00
6	IPS0012	I/Page	MME-1-XXH2	7/1/18	6/30/19	Premium	12	1	\$426.30	\$5,115.60
7	IPS0015	I/Tracker	MME-1-9P9F2	7/1/18	6/30/19	Premium	12	1	\$531.30	\$6,375.60
8	IPS0019	I/LEADS-Server NL	MME-1-XXH4	7/1/18	6/30/19	Premium	12	1	\$446.25	\$5,355.00
9	IPS0020	I/LEADS-Records Management System CC - Desktop Client	MME-1-XXH6	7/1/18	6/30/19	Premium	12	60	\$33.60	\$24,192.00
10	IPS0024	I/LEADS-Civil Process System CC	MME-1-XXJY	7/1/18	6/30/19	Premium	12	1	\$203.70	\$2,444.40
11	IPS0026	I/LEADS-Jail Management System - Client CC	MME-1-XXXK0	7/1/18	6/30/19	Premium	12	20	\$23.10	\$5,544.00
12	IPS0030	I/LEADS-CAD Link NL	MME-1-XXL4	7/1/18	6/30/19	Premium	12	1	\$0.00	\$0.00
13	IPS0038	I/Mobile CC	MME-1-9P9BI	7/1/18	6/30/19	Premium	12	27	\$25.20	\$8,164.80
14	IPS0042A	I/NetViewer - 15 users	MME-1-XXLI	7/1/18	6/30/19	Premium	12	1	\$531.30	\$6,375.60
15	IPS0048	I/FRMS-CADlink NL	MME-1-88551	7/1/18	6/30/19	Premium	12	1	\$214.20	\$2,570.40
16	IPS1163-M	I/Map Editor CC for Ingr GM Pro and CAD Users	1K17AXR00098398OJB7G	7/1/18	6/30/19	Premium	12	1	\$81.90	\$982.80
17	IPSCUSTOM12	E-Citation SW Interface	1-268633407	7/1/18	6/30/19	Premium	12	1	\$575.40	\$6,904.80
18	IPSF520AA-1002A	Oracle Standard Ed.-Application Sp	ORA-11059	7/1/18	6/30/19	Premium	12	96	\$10.50	\$12,096.00
19	IPS0002	I/Dispatcher	MME-1-9VZXU	7/1/18	6/30/19	Premium	12	14	\$351.75	\$59,094.00
20	IPS0082-M	Map Admin Utility for I/Map & I/Executive Users		7/1/18	6/30/19	Premium	12	1	\$193.20	\$2,318.40
21	GSPX5007	GeoMedia Professional CC	1B4IDB100098398SOJ0Z	7/1/18	6/30/19	Premium	12	1	\$232.05	\$2,784.60
26	IPSF584AA-A	Oracle Std Ed - App Specific-NU	MME-1-9QLDO	7/1/18	6/30/19	Premium	12	120	\$11.55	\$16,632.00
27	IPS0001	I/Executive NL	MME-1-XRNO	7/1/18	6/30/19	Premium	12	1	\$774.90	\$9,298.80
28	IPS21184C	Intergraph Business Intelligence Direct for WebRMS Bundle		7/1/18	6/30/19	Premium	12	1	\$156.45	\$1,877.40
29	IPS21183C	Intergraph Business Intelligence Direct for WebRMS Bundle		7/1/18	6/30/19	Premium	12	1	\$259.35	\$3,112.20
30	IPS21183TSTC	Intergraph Business Intelligence Direct for WebRMS Bundle		7/1/18	6/30/19	Premium	12	1	\$0.00	\$0.00

MAINTENANCE QUOTATION DETAIL



Flagstaff AZ City Of

Account Nbr: MDC-1320

Quote: 1-1JFC2DF Flagstaff AZ City Of 18-19

PO#:

Performance Period: 7/1/18 through 6/30/19

Currency: USD

Ln	Base Part	Description	Serial	Begin	End	Service Level	Mths	Qty	Mth Cost	Total Cost
31	IPS21182C	Intergraph Business Intelligence Direct for WebRMS Bundle		7/1/18	6/30/19	Premium	12	1	\$127.05	\$1,524.60
33	IPSCUSTOM14	I/LEADS State Accident Report		7/1/18	6/30/19	Premium	12	1	\$350.00	\$4,200.00
Subtotal for Site Number 00098398										\$220,378.20

Site Number: 50001020

Ln	Base Part	Description	Serial	Begin	End	Service Level	Mths	Qty	Mth Cost	Total Cost
22	IPSCUSTOM11	I/LEADS upgrade Livescan Interface	MME-1-63RLDV	7/1/18	6/30/19	Premium	12	1	\$93.45	\$1,121.40
23	IPSCUSTOM10	I/LEADS RMS Custom Services for DPS Mugshot		7/1/18	6/30/19	Premium	12	1	\$605.85	\$7,270.20
24	IPS0038	I/Mobile CC		7/1/18	6/30/19	Premium	12	5	\$25.20	\$1,512.00
25	IPS0020	I/LEADS-Records Management System CC - Desktop Client		7/1/18	6/30/19	Premium	12	5	\$33.60	\$2,016.00
Subtotal for Site Number 50001020										\$11,919.60

Site Number: Billing

Ln	Base Part	Description	Serial	Begin	End	Service Level	Mths	Qty	Mth Cost	Total Cost
32	ESCROW	Annual Software Escrow Fee		7/1/18	7/31/18	Premium	1	1	\$500.00	\$500.00
Subtotal for Site Number Billing										\$500.00

Grand Total Excluding Tax \$232,797.80

MAINTENANCE RENEWAL POLICIES

LATE RENEWAL

If your maintenance renewal is not received prior to the performance period begin date, in addition to any reinstatement fees that may be charged as described below, maintenance services for the new coverage period may be terminated or suspended by Intergraph Corporation d/b/a Hexagon Safety & Infrastructure. This includes your ability to access system support or the knowledge base, and the ability to log or check support requests. Therefore it is important that you do not delay in renewing your maintenance service contract.

REINSTATEMENT FEE FOR LAPSE IN HEXAGON MAINTENANCE COVERAGE

Hexagon charges a 25% reinstatement fee when maintenance coverage lapses because a renewal is not received by the performance period begin date. Notwithstanding the foregoing, for all Oracle products there is a 50% reinstatement fee when maintenance coverage lapses because a renewal is not received by the performance period begin date. The reinstatement fee will be calculated and assessed for each month in which there has been a lapse in coverage. The details of this fee may be found in Section 4.1 of the Terms and Conditions. To ensure you are not assessed a reinstatement fee, please return your renewal instructions before the performance period begin date.

LICENSE RE-PURCHASE FOR LAPSE IN MICROSOFT SQL SERVER AND BIZTALK MAINTENANCE COVERAGE

Hexagon's agreement with Microsoft for reinstating maintenance that has lapsed on Microsoft SQL Server and BizTalk licenses obtained from Hexagon and for which Hexagon provides maintenance and support. Microsoft only allows Hexagon to provide maintenance (including upgrades of the Microsoft products) to you if you provide renewal instructions prior to the performance period begin date shown in the attached quote and without any lapse in coverage. Any maintenance renewal received on or after the performance period begin date is considered to be a lapse in coverage and will not be accepted by Hexagon. Therefore, if your renewal for the Microsoft license maintenance is not received by Hexagon by the performance period begin date, when you wish to upgrade to a new version of SQL Server and/or BizTalk, **you are**



required to re-purchase the licenses for the Microsoft products at the then current list price of those products, plus one year of maintenance coverage from the date of re-purchase. You will not be eligible to obtain support services from Hexagon during any lapse in maintenance coverage for SQL Server and/or BizTalk.

BUSINESS INTELLIGENCE MAINTENANCE BEGINS WITH LICENSE PURCHASE; MAINTENANCE RENEWALS MUST BE RECEIVED BEFORE CURRENT MAINTENANCE TERM EXPIRES

Due to constraints related to third-party content in the Business Intelligence suite, the maintenance term must begin when Business Intelligence licenses are purchased. The maintenance must renew, if elected, on the anniversary of the license purchase; therefore, your renewal instructions must be received prior to the performance period begin date shown in the attached quote and without any lapse in coverage. Any maintenance renewal received on or after the performance period begin date is considered to be a lapse in coverage and will not be accepted by Hexagon. Therefore, if your renewal for the Business Intelligence license maintenance is not received by Hexagon by the performance period begin date, when you wish to upgrade to a new version of Business Intelligence, [you are required to purchase an upgrade of the Business Intelligence products at a price that is fifty percent \(50%\) of the then current list price, plus one year of maintenance coverage from the date of the upgrade purchase](#). You will not be eligible to obtain support services from Hexagon during any lapse in maintenance coverage for the Business Intelligence products.

CHARGES ARE PAYABLE ANNUALLY AND IN ADVANCE

Hexagon's payment terms are annual, in advance, for maintenance service contracts. If you wish to instead pay quarterly in advance, please request a revised quotation. A convenience fee of 15% will be added to contracts with quarterly payment schedules instead of annual. The convenience fee will be prorated across the four quarterly invoices.



Hexagon Safety & Infrastructure

U.S. Maintenance Terms and Conditions for Software

This document ("Terms and Conditions") and the Quote to which these Terms and Conditions are attached set forth the terms and conditions for the maintenance of software and related support services by Intergraph Corporation doing business as Hexagon Safety & Infrastructure ("Hexagon") for Customer.

1. DEFINITIONS

- 1.1. "Affiliate" means any entity or person controlled by or under common control of Hexagon. For the purposes of this Agreement, the term "control" means ownership, directly or indirectly, of equity securities entitling the owner to exercise in the aggregate equal or more than twenty-five percent (25%) of the voting power of the entity in question. For the avoidance of doubt, any Affiliate of Hexagon is as well deemed an Affiliate of any other Affiliate of Hexagon; also Hexagon is an Affiliate of any of its Affiliates.
- 1.2. "Agreement" means (1) the binding contract incorporating these Terms and Conditions as well as the Quote submitted to Customer under Section 2 and/or, if applicable, (2) the binding contract incorporating a Quote submitted to Customer under Section 3.2 and/or Section 12.1 as well as the maintenance service contract terms and conditions referenced therein.
- 1.3. "Coverage Period" means the period of performance set forth in the Quote.
- 1.4. "Covered Products" means the software listed on the Quote for which Services are to be provided to Customer by Hexagon. Covered Products shall also include additional copies of the software (i) where the original software is already covered by the Agreement and (ii) for which additional licenses are purchased or otherwise obtained by Customer during the Coverage Period. Covered Products may include Software Products, as well as Third Party Software.
- 1.5. "Customer" means the entity or person purchasing Services.
- 1.6. "Quote" means a quotation for Services submitted to Customer by Hexagon or an authorized Hexagon partner, along with a product quotation at time of purchase of the product to be maintained. according to Section 2, or a quotation for Services submitted to Customer by Hexagon, according to, Section 3.2 and/or Section 12.1.
- 1.7. "Services" means the maintenance and support services for Covered Products that are further described in the Agreement.
- 1.8. "Software Product" includes Hexagon's or Hexagon's Affiliate's computer software and all of the contents of the files, disk(s), CD-ROM(s) or other media with which the software is provided, including any templates, data, printed materials, and "online" or electronic documentation, all copies, and any Updates of such Software Products. Software Products are subject to all of the terms and conditions of the End-User License Agreement ("EULA") provided with the Software Product.
- 1.9. "Third Party Software" means computer software or other technology in which any person or entity, other than Hexagon or Hexagon's Affiliate, has any right, title or interest, including any restrictions or obligations (such as obligations to obtain consents or approvals and restrictions that may be eliminated only by obtaining such consents or approvals)

applicable to the computer software or technology, but does not include software embedded in the Software Products by license from third parties. The use of Third Party Software is subject to all of the terms and conditions of the third party's software license or similar agreement ("SLA") provided with the Third Party Software.

- 1.10. "Update(s)" means any Upgrade, modified version, fix, patch and/or update of Covered Products. The use of Updates is subject to all of the terms and conditions of the EULA or SLA provided with Customer's current version of the Covered Products.
- 1.11. "Upgrade(s)" means each new release of Covered Products. Upgrades require a full installation and may be provided with a separate EULA or SLA. Any EULA or SLA delivered with the Upgrade will supersede any EULA or SLA associated with prior releases of the Covered Products.

2. AUTHORIZATION OF SERVICES

By either (a) returning a signed Quote; (b) submitting a signed purchase order referencing a Quote; (c) paying any charges as set forth on a Quote; or (d) accepting delivery of Services as set forth on a Quote, Customer authorizes Hexagon to provide the Services for Covered Products during the Coverage Period in accordance with the Agreement. The Services will be provided by Hexagon in accordance with the Scope of Coverage as set forth in Section 5. The Agreement shall only become binding and effective upon the written acceptance by Hexagon or the first delivery of the Services set forth in the Quote, whichever is earlier.

3. TERM

- 3.1. Term. This Agreement shall begin, retroactively (if applicable), on the first calendar day of the first month of the applicable Coverage Period, and shall expire at the end of the Coverage Period unless terminated earlier as provided in Section 18, or renewed by mutual agreement of the parties in accordance with Section 3.2. The Coverage Period shall be for whole months only.
- 3.2. Renewal. Approximately ninety (90) days prior to the expiration date of any Coverage Period, Hexagon will submit to Customer a renewal Quote that includes pricing for the upcoming Coverage Period. Section 2 shall apply mutatis mutandis to the formation of the Agreement based on the renewal Quote as well as the maintenance service contract terms and conditions referenced therein or made available to Customer together with the renewal Quote. If the Agreement is not entered into based on the renewal Quote as well as the maintenance service contract terms and conditions referenced therein, Hexagon, after the preceding Coverage Period has expired, shall be entitled to discontinue Services for the affected Covered Products, including access to system support or knowledge base, and/or end the ability of Customer to log or check support requests.

4. REINSTATEMENT OF MAINTENANCE SUPPORT COVERAGE

- 4.1. Lapse in Software Maintenance Coverage. To reinstate Services after any termination or suspension thereof, Customer must pay a reinstatement fee. The Coverage Period for any reinstated Services (the "Renewal Coverage Period") shall begin on the first day after the expiration or termination of the last paid-in-full Coverage Period and extend until the next purchase anniversary date of the lapsed Covered Products. The reinstatement fee will equal twenty-five percent (25%) of the past due maintenance charges (rounded up to whole months only) for the Renewal Coverage Period, and shall be in addition to the total maintenance charges due for the Renewal Coverage Period, all calculated at the current maintenance list price. Upon request of Customer, Hexagon will provide a Quote for the Renewal Coverage Period, to include the reinstatement fee, which is applicable only for reinstatement made in the then-current month.

- 4.2. Failure to Obtain Maintenance Coverage. In the event Services were not purchased at the time that the Covered Product was originally purchased, in order to obtain Services, Customer must pay one hundred twenty-five percent (125%) of all maintenance payments from the date the original Covered Product was purchased up to the date the Services are actually purchased, plus one hundred percent (100%) of the remaining Coverage Period that expires upon the anniversary date of the original Covered Product purchase, all calculated at the current maintenance list price. The Coverage Period for such Covered Products will begin on the first day of the month in which the Covered Products were originally purchased.

5. SCOPE OF COVERAGE FOR SOFTWARE PRODUCTS

Services described in this Section apply to Software Products only. Services for Third Party Software are set forth in Section 10.

Hexagon offers two levels of Services for Software Products included in the Covered Products: Standard Support and Premium Support. Under both levels of Services, Hexagon shall provide reasonable commercial efforts to aid in the diagnosis and correction of defects in and provide general advice as to the use of the Software Products included in the Covered Products. The level of Services will be set forth on the Quote and will include the following:

- 5.1. **Standard Support:** Standard Support will include and be limited to the following:
- 5.1.1. Help Desk Support. Out-of-the-box functionality support via the Help Desk (telephone or eService via Hexagon's Customer Support Web Site where available at <https://support.hexagonsafetyinfrastructure.com>). Phone support for all priority levels of software errors is available on Monday through Friday from 8AM – 5PM at Customer's local time, excluding Hexagon-observed holidays. Local variances in support hours will be posted on the Customer Support Web Site or applicable local support website, or can be determined by contacting Customer's local Hexagon office.
 - 5.1.2. Updates. Access to all available Updates of Software Products included in the Covered Products. Hexagon will notify Customer when Updates are made available for any Software Products for which Service has been purchased, by way of posting notices of such to the "Support Notices and Announcements" section on the Customer Support Web Site or applicable local support website or via direct notification by Hexagon. If applicable, Customer may also register on the Customer Support Web Site or applicable local support website to automatically receive email notifications when a new release of a Software Product is made available by Hexagon. Updates are shipped to Customer upon Customer request. Hexagon is not obligated to produce any Updates.
 - 5.1.3. Knowledge Base. Twenty-four-hour-per-day/seven-day-per-week access to problem Knowledge Base, an on-line self-help tool.
- 5.2. **Premium Support:** Premium Support will include all of the features available under Standard Support. Additionally, when the software error is considered to be critical (meaning production is down), then phone support is also available after-hours and on Hexagon-observed holidays.

Hexagon may not provide both levels of support for all Software Products in all countries. Customer may choose any level of Services offered, however all Software Products included in the Covered Products under the Agreement must have the same level of Services when available.

Services are only available for the current version and the one version prior to the current version of a particular Software Product. Services are limited to the specific Software Products listed on the Quote and functioning on the appropriate Hexagon-supported operating system.

6. MINIMUM SYSTEM REQUIREMENTS; CUSTOMER'S OBLIGATIONS

Performance of Services by Hexagon is specifically conditioned upon the following minimum system requirements and fulfillment by Customer of the following obligations (collectively, minimum system requirements and customer obligations hereinafter referred to as "Customer Obligations"):

- 6.1. Customer's hardware and operating system software must meet the minimum system requirements specified by Hexagon and made available to Customer upon request.
- 6.2. Customer's system must have input and output devices that enable the use of Hexagon's diagnostic programs and supplemental tests. The specifications of such devices shall be made available to Customer by Hexagon upon request.
- 6.3. Customer will be responsible for any required adjustments or updates to its hardware and/or operating system software required to accommodate Updates of Covered Products.
- 6.4. Customer will ensure availability of its own system technical support personnel so that Hexagon can fulfill its Service obligations.
- 6.5. When reporting problems to Hexagon's Help Desk, Customer will provide a complete problem description, along with all necessary documents and information that is available to Customer and required by Hexagon to diagnose and resolve the problem. Customer will grant all necessary access to all required systems as well as to the Covered Products, and any other reasonable assistance needed.
- 6.6. Customer will carry out any reasonable instructions on troubleshooting or circumvention of the problem provided by Hexagon through the Authorized Contact (as defined below in Section 8.1) immediately and in conformity with these instructions, and will install any necessary patches, defect corrections or new versions from Hexagon.
- 6.7. Customer is solely responsible for assuring the compatibility of non-Hexagon products with products provided by Hexagon.
- 6.8. Customer is solely responsible for ensuring its systems, software, and data are adequately backed up. Hexagon will not be liable for lost data.

In addition, Customer shall provide for any other requirements reasonably specified by Hexagon and related to the rendition of the Services to be met.

If Customer fails to fulfill its Customer Obligations, Hexagon is entitled to bill Hexagon's time and effort made necessary by Customer's failure at Hexagon's currently stated hourly rates.

7. EXCLUDED SOFTWARE SERVICES

Services for the following are outside the scope of this Agreement and may be available under separate agreement at an additional charge (collectively "Excluded Services"):

- 7.1. Installation of any Covered Product, Update, or interface software
- 7.2. Network configuration
- 7.3. Configuration or customization of Covered Products to customer requirements.
- 7.4. System-level tuning and optimization and system administration support
- 7.5. Programming or software development
- 7.6. Training
- 7.7. Services required because the Authorized Contact is not available or is not trained in accordance with Section 8

- 7.8. On-site Services
- 7.9. Services outside of the regular business hours associated with the applicable level of Services
- 7.10. Services required due to modifications of Covered Products by Customer. In the case of Hexagon software modules which assist in the creation and use of Customer software, the performance of Services under the Agreement is restricted to unmodified components of these Covered Products
- 7.11. Services required due to use other than in the ordinary manner intended for the Covered Products, or use in a manner that contravenes terms hereunder, or Customer's disregard of the installation and operating instructions according to the documentation provided with the Covered Products
- 7.12. Services required due to failure of software or hardware not supplied by Hexagon and not covered in the Agreement
- 7.13. Services required due to Customer's use of hardware or software that does not meet Hexagon specifications or failure of Customer to maintain or perform industry standard maintenance on Customer's hardware or software
- 7.14. Services required due to software or portions thereof that were incorrectly installed or configured, or use in an environment inconsistent with the support environment specified by Hexagon, or used with peripherals, operational equipment or accessories not conforming to Hexagon's specifications
- 7.15. Services required due to cases of force majeure, especially lightning strikes, fire or flood or other events not caused through Hexagon's fault.
- 7.16. Services required due to customer's failure to fulfill the Customer Obligations set forth in Section 6
- 7.17. Services required due to faulty or incomplete Customer data.

When ordered by Customer, Excluded Services or other software maintenance support services that are outside the scope of this Agreement will be billed by Hexagon according to the stated hourly rates and material prices in effect at the time such service is performed.

8. SYSTEM SUPPORT TECHNICIAN

- 8.1. Customer will appoint a minimum of two and a maximum of three contact people who are each authorized to make use of the Services ("Authorized Contacts").
- 8.2. Customer must make sure that the Authorized Contacts have adequate expertise and experience to make possible a targeted and professionally accurate description of malfunctions and make it possible for Hexagon to handle them efficiently. Authorized Contacts must have successfully completed Hexagon product training or complete it at the next available scheduled opportunity, for those products for which formal training is available. Customer will bear the cost of this training. Customer is obligated to select only those personnel for this task who are suitable for it by means of training and function, and who have knowledge of Customer's operating system, network, and hardware and software systems. Customer agrees to promptly notify Hexagon of any replacement of an Authorized Contact.

9. REMOTE ACCESS

Customer will permit Hexagon to electronically access Customer's system via SecureLink™. SecureLink™ is a tool for providing secure, auditable remote access to Customer's system in order for Hexagon support personnel ("Customer Support") to effectively troubleshoot critical or complex problems and to expedite resolution of such issues. The Authorized Contacts should be available to assist Hexagon Customer Support as needed during this entire process. Customer Support will only access Customer's system with the knowledge and consent of Customer. For local variances specific

to the use of remote access tools other than SecureLink™, Customer should contact the local Hexagon support office.

10. THIRD PARTY SOFTWARE

Support and Updates of Third Party Software shall be provided in the fashion and to the extent or duration that Hexagon is authorized to provide such by the third party manufacturer of the Third Party Software, and such Third Party Software Services may be subject to additional terms and conditions of the third party manufacturer of the Third Party Software.

Services and Updates for any Third Party Software that are not listed on the Quote must be obtained from the third party owner of the products or their designated representative.

11. REQUIRED COVERAGE

- 11.1. Multiple or Interdependent Licenses. Customer may not decline maintenance for individual licenses of a Covered Product for which Customer has multiple copies under Service at one site or for Covered Products that are being used interdependently at a single site, except in accordance with the relinquishment process described in Section 12.2.
- 11.2. Prerequisite Licenses. All prerequisite Hexagon software licenses that are necessary to operate the Covered Products for which Customer desires Services under the Agreement must also be included as Covered Products and listed on the Quote.

12. ADDITIONS AND REMOVALS OF COVERED PRODUCTS

- 12.1. Additions of Covered Products to Maintenance.
 - 12.1.1. Additional Software Products from Hexagon. In the event Customer purchases additional licenses of Software Products from Hexagon during the term of this Agreement, Hexagon will provide Customer with a written extension Quote that reflects the additional licenses, the effective date of Service, and charges for the additional licenses, pursuant to the Agreement.
 - 12.1.2. Additional Software Products from a third party. In the event Customer obtains additional licenses of Software Products from an authorized reseller or by any other means, Customer agrees to promptly notify Hexagon in writing about the newly acquired Software Products, and upon receipt of such notice, Hexagon will provide Customer with a written extension Quote that reflects the additional licenses, the effective date on which Hexagon may commence the Services with respect to the copies of the Software Product pertaining to the additional licenses, and the charges that would be due in return for these Services pursuant to the Agreement.
 - 12.1.3. Section 2 shall apply mutatis mutandis to the formation of the Agreement based on the extension Quote submitted to Customer under Section 12.1.1 or Section 12.1.2 as well as the maintenance service contract terms and conditions referenced therein or made available to Customer together with the extension Quote. If the Agreement is not entered into based on the extension Quote as well as the maintenance service contract terms and conditions referenced therein, then the terms and conditions in Section 4 regarding reinstatement of Services will apply to the additional licenses of Software Products. If, however, the additional Software Products are multiple, interdependent, or prerequisite licenses as described in Section 11 above, Services may not be declined, and Services and the appropriate monthly charges will begin on the effective date as shown on the extension Quote.
 - 12.1.4. Additional Software Products via Software Transfer Policy. Customer shall purchase Services on all additional licenses of Software Products for a site obtained via software license transfer. Any such software license transfers shall be in accordance with the

then-current Hexagon Software Transfer Policy and the EULA or other applicable Software License Agreement delivered with the Software Product.

- 12.2. Removal of Covered Products from Maintenance. Either party may provide written notice to the other party at least sixty (60) calendar days prior to the end of any Coverage Period of its intent to remove any individual Covered Products from the Agreement for the renewal period. Neither party may remove Covered Products except upon Agreement renewal. Customer may not remove from the Agreement individual software licenses of a Covered Product for which Customer has multiple copies under Service at one site or for Covered Products that are being used interdependently at a single site, unless Customer has first certified to Hexagon on a "Software Relinquishment Agreement" that the copies of the Covered Product for which Customer desires to cease Services (the "Relinquished Licenses") for the renewal Coverage Period have been uninstalled and removed from its system(s). Should Customer desire to reinstate Services for the Relinquished Licenses at a later date, Customer must re-purchase the licenses at the then current list price.

13. PAYMENT

- 13.1. Terms of Payment. Charges for Services are due and payable annually and in advance. For Customers desiring to pay quarterly and in advance instead of annually and in advance, Customer must request a revised Quote which shall include a convenience fee increase of fifteen percent (15%) of the total annual charges, which convenience fee Customer agrees to pay. The convenience fee shall be prorated and charged to the four quarterly invoices. All charges are due net thirty (30) calendar days from the date of invoice or prior to the beginning of the applicable Coverage Period, whichever is earlier. Charges for Covered Products added during a Coverage Period shall be prorated to the remaining months of the Coverage Period, in whole month increments only, and such charges shall be due and payable in full upon receipt of invoice.
- 13.2 Past Due Accounts. HEXAGON RESERVES THE RIGHT TO REFUSE SERVICE TO ANY CUSTOMER WHOSE ACCOUNT IS PAST DUE. At the discretion of Hexagon, Customers who have not paid any charges when due (i) under this Agreement, (ii) under any other agreement between the parties, or (iii) under any agreement between Hexagon and Customer's parent and/or subsidiary at least fifty percent (50%) owned by Customer, may not be rendered Services until all past due charges are paid in full. Additionally, Hexagon shall charge and Customer agrees to pay interest at the rate of two percent (2%) per month or the maximum amount allowed by law, whichever is less, for all amounts not received when due. The start of the Coverage Period shall not be postponed due to delayed payment of any charges. If Hexagon is required to use a collection agency or attorney to collect money owed by Customer, Customer agrees to pay the reasonable costs of collection. These collection costs include, but are not limited to, any collection agency's fees, reasonable attorneys' fees and court costs.
- 13.3 Customer's Responsibilities Concerning Invoice Questions. Subject to applicable law, if Customer intends to dispute a charge or request a credit, Customer must contact Hexagon within ten (10) calendar days of the date on the invoice. Customer waives any right to dispute a charge or receive a credit for a charge or Services that Customer does not report within such period.

14. CUSTOMER WARRANTIES

During the Coverage Period, Customer shall commit to the following:

- 14.1. Subject to Section 12.2, Customer warrants that for all Covered Products supported under the Agreement, all licenses of a Covered Product for which Customer has multiple copies in its possession and that are located at the site referenced on the Quote, and all prerequisite licenses necessary to operate Covered Products, are listed on the Quote. If all like Covered Products or prerequisite software licenses are not listed on the Quote, Customer agrees to notify Hexagon so that Hexagon may issue a revised Quote to Customer.
- 14.2. Customer warrants that Services provided herein shall be utilized only for the quantity of Covered Products licenses listed on the Quote.
- 14.3. Customer shall, and Customer shall cause each of Customer's employees and representatives to, comply with each and every term and condition of the EULA and/or SLA applicable to the Covered Products supported under the Agreement.

15. INTELLECTUAL PROPERTY

- 15.1. Software License. Any Upgrades furnished hereunder shall remain the property of Hexagon, Hexagon's Affiliate or applicable third party, and are licensed in accordance with the then current Hexagon EULA, EULA of Hexagon's Affiliate or third party SLA, which shall supersede any EULA or SLA associated with prior releases of the Software Products or Third Party Software. Upon Customer's request, Hexagon shall provide customer with such EULA or SLA. Upon Hexagon's request, Customer agrees to execute a EULA or SLA, as applicable, for Covered Products provided without an included EULA or SLA.
- 15.2. Confidential Information. Hexagon and Customer each acknowledge that they may be furnished with, receive, or otherwise have access to information of or concerning the other party which such party considers to be confidential, proprietary, a trade secret or otherwise restricted. As used in this Agreement "Confidential Information" shall mean all information, which may include third party information, in any form, furnished or made available directly or indirectly by one party to the other that is marked confidential, restricted, proprietary, or with a similar designation. The terms and conditions, and existence, of this Agreement shall be deemed Confidential Information. Confidential Information also shall include, whether or not designated "Confidential Information" (i) all specifications, designs, documents, correspondence, software, documentation, data and other materials and work products produced by either Hexagon or its subcontractors, and (ii) with respect to either party, all information concerning the operations, financial affairs and businesses, and relations with its employees and service providers.

Each party's Confidential Information shall remain the property of that party or relevant third party except as expressly provided otherwise by the other provisions of this Agreement. Customer and Hexagon shall each use at least the same degree of care, but in any event no less than a reasonable degree of care, to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own information of a similar nature.

The parties shall take reasonable steps to ensure that their respective employees comply with these confidentiality provisions. This Section shall not apply to any particular information which either party can demonstrate (i) was, at the time of disclosure to it, generally publicly available; (ii) after disclosure to it, is published or otherwise becomes generally publicly available through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without restriction on disclosure; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such

information to it without any obligation to restrict its further use or disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the disclosing party. In addition, a party shall not be considered to have breached its obligations by disclosing Confidential Information of the other party as required to satisfy any legal requirement of a competent government body provided that, immediately upon receiving any such request and to the extent that it may legally do so, such party advises the other party promptly and prior to making such disclosure in order that the other party may interpose an objection to such disclosure, take action to assure confidential handling of the Confidential Information, or take such other action as it deems appropriate to protect the Confidential Information.

16. LIMITED WARRANTIES; WARRANTY DISCLAIMERS

16.1. Limited Warranties.

16.1.1. Hexagon Services Warranty. Hexagon warrants for a period of thirty (30) days from the date of Services that the Services provided pursuant to this Agreement, in the form of a defect correction and/or maintenance services, will be performed with reasonable skill and care in accordance with the requirements set forth herein, provided the Covered Products for which the Services are provided are used under normal conditions and in strict accordance with the terms and conditions herein. Customer agrees to promptly notify Hexagon of any unauthorized use, repair, or modification, or misuse, as well as suspected defects in any Services provided pursuant to this Agreement.

16.1.2. Hexagon Software Warranty. Hexagon warrants for a period of thirty (30) days from the date of shipment of any Software Product that, under normal use, software delivery media shall be free from defect in material or workmanship. Additional warranties for Software Products may be provided in the applicable Hexagon Terms and Conditions for Sale or other agreement between the parties governing the delivery of Software Products.

16.1.3. Pass-Through Third Party Warranties. Third Party Software is only warranted pursuant to a pass-through warranty to Customer from the applicable Third Party Software manufacturer and only to the extent warranted by the applicable Third Party Software manufacturer.

16.1.4. NO OTHER WARRANTIES. THE ABOVE LIMITED WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND REPRESENT THE FULL AND TOTAL OBLIGATION AND/OR LIABILITY OF HEXAGON. THE LIMITED WARRANTIES PROVIDE CUSTOMER WITH SPECIFIC LEGAL RIGHTS. CUSTOMER MAY HAVE OTHER RIGHTS, WHICH VARY JURISDICTION TO JURISDICTION. IF A GREATER WARRANTY IS MANDATED PURSUANT TO THE LAW HELD APPLICABLE TO THIS AGREEMENT, THEN HEXAGON WARRANTS THE SERVICES OR COVERED PRODUCTS TO THE MINIMUM EXTENT REQUIRED BY SAID LAW.

16.2. Remedies. In the event a warranted Service, Covered Product, or Update provided pursuant to this Agreement does not substantially comply with the limited warranties set forth in the Agreement, Hexagon's entire liability and Customer's exclusive remedy shall be, in Hexagon's sole and absolute discretion, either (i) providing of a Service, Covered Product, or Update which conforms substantially with the warranty; or (ii) a refund of the purchase price of the particular warranted Service, Covered Product, or Update for the period of time that the warranted Service, Covered Product, or Update did not substantially conform to the limited warranties set forth in this Agreement.

Hexagon is acting on behalf of its suppliers for the sole purpose of disclaiming, excluding and/or limiting obligations and liability as provided in this Agreement, but in no other respects and for no other purpose.

- 16.3. WARRANTY DISCLAIMERS. ANY WARRANTIES HEREUNDER ARE VOID IF FAILURE OF A WARRANTED ITEM RESULTS DIRECTLY, OR INDIRECTLY, FROM AN UNAUTHORIZED MODIFICATION OF A WARRANTED ITEM; AN UNAUTHORIZED ATTEMPT TO REPAIR A WARRANTED ITEM; OR MISUSE OF A WARRANTED ITEM, INCLUDING WITHOUT LIMITATION, USE OF WARRANTED ITEM UNDER ABNORMAL OPERATING CONDITIONS OR WITHOUT ROUTINELY MAINTAINING A WARRANTED ITEM. CUSTOMER SHALL PROMPTLY NOTIFY HEXAGON OF ANY SUSPECTED DEFECTS IN COVERED PRODUCTS DELIVERY MEDIA. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, HEXAGON AND ITS SUPPLIERS DISCLAIM ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, RELATING TO THE SERVICES, COVERED PRODUCTS, AND UPDATES PROVIDED PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. HEXAGON DOES NOT WARRANT THAT ANY SERVICES, COVERED PRODUCTS, AND UPDATES PROVIDED PURSUANT TO THIS AGREEMENT WILL MEET CUSTOMER'S REQUIREMENTS, AND UNDER NO CIRCUMSTANCES DOES HEXAGON WARRANT THAT ANY SERVICES, COVERED PRODUCTS, AND UPDATES WILL OPERATE UNINTERRUPTED OR ERROR FREE. IF ANY PART OF THIS DISCLAIMER OF EXPRESS OR IMPLIED WARRANTIES IS RULED INVALID, THEN HEXAGON DISCLAIMS EXPRESS OR IMPLIED WARRANTIES TO THE MAXIMUM EXTENT ALLOWED BY APPLICABLE LAW. HEXAGON MAY SHARE INFORMATION FROM TIME TO TIME RELATED TO ITS EXPECTED DIRECTION, ROADMAP, OR VISION FOR ITS PRODUCTS AND SERVICES, ALL OF WHICH IS SUBJECT TO CHANGE AT ANY TIME IN HEXAGON'S SOLE DISCRETION. CUSTOMER SHOULD NOT RELY UPON STATEMENTS, PRESENTATIONS, OR INFORMATION REGARDING FUTURE FEATURES, FUNCTIONS, OR PRODUCTS FOR ANY PURPOSE IN ABSENCE OF HEXAGON'S FORMAL AND EXPRESS CONTRACTUAL COMMITMENT TO DELIVER THE SAME.

17. LIMITATION OF LIABILITY

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL HEXAGON OR ITS SUPPLIERS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF USE OR PRODUCTION, LOSS OF REVENUE OR PROFIT, LOSS OF DATA, LOSS OF BUSINESS INFORMATION, BUSINESS INTERRUPTION, CLAIMS OF THIRD PARTIES OR ANY OTHER PECUNIARY LOSS ARISING OUT OF THIS AGREEMENT, EVEN IF HEXAGON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. HEXAGON'S ENTIRE LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT ACTUALLY PAID BY CUSTOMER TO HEXAGON DURING THE PAST TWELVE MONTHS UNDER THIS AGREEMENT AS OF THE DATE THE EVENT GIVING RISE TO THE CLAIM OCCURS. EXCEPT AS OTHERWISE PROVIDED BY APPLICABLE LAW, NO CLAIM, REGARDLESS OF FORM, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT MAY BE BROUGHT BY CUSTOMER MORE THAN TWO (2) YEARS FOLLOWING THE INITIAL EVENT GIVING RISE TO THE CAUSE OF ACTION. BECAUSE SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY, THE ABOVE LIMITATION MAY NOT APPLY TO CUSTOMER. IF ANY PART OF THIS SECTION IS HELD INVALID, THEN HEXAGON LIMITS ITS LIABILITY TO THE MAXIMUM EXTENT ALLOWED BY APPLICABLE LAW.

18. TERMINATION

This Agreement may only be terminated prior to its expiration in the following ways:

- 18.1. Either party petitions for reorganization under the Bankruptcy Act or is adjudicated as bankrupt, or a receiver is appointed for the other party's business.
- 18.2. Customer fails to pay Hexagon any amount when due (i) under this Agreement; or (ii) under any other agreement between the parties.
- 18.3. Customer's license to the Covered Products for which Customer has purchased Services is terminated.

19. RESTRICTIONS

- 19.1. **Non-Solicitation of Employees.** Customer agrees that it will not, without the prior written consent of Hexagon, solicit or hire any Hexagon employee, or induce such employee to leave Hexagon's employment, directly or indirectly, during the term of this Agreement and for a period of twelve (12) months after the Agreement expires or is terminated. Customer agrees that a breach of this provision would cause actual and substantial damages to Hexagon such that it would be very difficult to calculate actual damages. Accordingly, any such breach will entitle Hexagon to recover liquidated damages from Customer in the amount equal to one (1) year of the affected employee's annual salary plus benefits for each such breach, as well as expenses, costs, and reasonable attorneys' fees incurred by Hexagon in seeking enforcement of this Agreement. Customer agrees that the foregoing amount is intended to be, and in fact is, a reasonable estimate of the actual damages that would be incurred by Hexagon if Customer were to breach this provision, and that this amount is not intended to be, and in fact is not, a penalty. In addition, Hexagon shall be entitled to equitable or injunctive relief to prevent further breaches. For purposes of this Section, the term "employee" means employees of Hexagon and/or any Hexagon subsidiary and/or any of Hexagon's subcontractors who directly support Customer.
- 19.2. **United States Government Restricted Rights.** If a Covered Product (including any Updates, documentation or technical data related to such Covered Products) is licensed, purchased, subscribed to or obtained, directly or indirectly, by or on behalf of a unit or agency of the United States Government, then this Section also applies.
 - 19.2.1. For civilian agencies: The Covered Product was developed at private expense and is "restricted computer software" submitted with restricted rights in accordance with the Federal Acquisition Regulations ("FAR") 52.227-19 (a) through (d) (Commercial Computer Software – Restricted Rights).
 - 19.2.2. For units of the Department of Defense ("DoD"): The Covered Product was developed at private expense and is "commercial computer software" submitted with restricted rights in accordance with the Defense Federal Acquisition Regulations ("DFARS") DFARS 227.7202-3 (Rights in commercial computer software or commercial computer software documentation).
 - 19.2.3. Notice: The Covered Product is "commercial computer software" as defined in DFARS 252.227-7014 (Rights in Noncommercial Computer Software) and FAR 12.212 (Computer Software), which includes "technical data" as defined in DFARS 252.227-7015 (Technical Data) and FAR 12.211 (Technical Data). All use, modification, reproduction, release, performance, display or disclosure of this "commercial computer software" shall be in strict accordance with the manufacturer's standard commercial license, which is attached to and incorporated into the governing Government contract. Hexagon and any applicable Third Party Software manufacturers are the manufacturers. This Covered Product is unpublished and all rights are reserved under the Copyright Laws of the United States.

- 19.3. Export Restrictions. All Software Products and all Third Party Software (including any Updates, documentation or technical data related to such software products) licensed, purchased, subscribed to or obtained, directly or indirectly, from Hexagon, its subsidiaries or distributors (collectively, "Export Controlled Products") are subject to the export control laws and regulations of the United States. Diversion contrary to United States law is prohibited. The Export Controlled Products, and the direct product thereof, shall not be exported or re-exported, directly or indirectly (including via remote access), under the following circumstances:
- 19.3.1. To Cuba, Iran, North Korea, Sudan, or Syria, or any national of these countries.
 - 19.3.2. To any person or entity listed on any United States government denial list, including but not limited to, the United States Department of Commerce Denied Persons, Entities, and Unverified Lists (www.bis.doc.gov/complianceandenforcement/liststocheck.htm), the U.S. Department of Treasury Specially Designated Nationals List (www.treas.gov/offices/enforcement/ofac/), and the U.S. Department of State Debarred List (<http://www.pmddtc.state.gov/compliance/debar.html>).
 - 19.3.3. To any entity if Customer knows, or has reason to know, the end use of the Export Controlled Product is related to the design, development, production, or use of missiles, chemical, biological, or nuclear weapons, or other unsafeguarded or sensitive nuclear uses.
 - 19.3.4. To any entity if Customer knows, or has reason to know, that an illegal reshipment will take place.

Any questions regarding export or re-export of an Export Controlled Product should be addressed to Hexagon's Export Compliance Department, 305 Intergraph Way, Madison, Alabama, United States 35758 or at exportcompliance@intergraph.com.

20. TAXES

All charges under this Agreement are exclusive of each and every country's federal, provincial, state, municipal, or other governmental, withholding, excise, sales, use, value added or other taxes, tariffs, custom duties and importing fees ("Taxes"). Customer shall be liable for, and shall indemnify and hold Hexagon harmless from and against, any and all Taxes. Taxes shall expressly exclude any federal, state, municipal, or other governmental income taxes, franchise taxes, business license fees and other like taxes measured by Hexagon's income, capital and/or assets. The total invoice amount for charges under this Agreement is subject to increase by the amount of any Taxes which Hexagon is required to withhold, collect, or pay regarding the transactions under this Agreement so that Hexagon receives the full amount of the charges on Hexagon's invoices. Any certificate to exempt the Agreement from tax liability or other documentary evidence of statutory exemption shall be obtained by Customer at Customer's expense.

21. GENERAL

- 21.1. Third Party Providers. Hexagon reserves the right to provide Services through a third party provider.
- 21.2. Entire Agreement. The Agreement constitutes the entire agreement between the parties relating to the subject matter hereof. The Agreement supersedes any and all prior discussions and/or representations, whether written or oral, relating to the subject matter of the Agreement and no reference to prior dealings may be used to in any way modify the expressed understandings of the Agreement. Hexagon does not accept any contradictory or additional terms and conditions, even by accepting a purchase order referencing different terms and conditions. The Agreement may be amended only by a written instrument signed by authorized representatives of both parties, and cannot be amended by subsequent purchase order or writing received from Customer without the express

- written consent of Hexagon. Any reproduction of the Agreement made by reliable means (for example, photocopy or facsimile) will be deemed an original.
- 21.3. Order of Precedence. In the event of a conflict between the documents that form the Agreement, the order of precedence will be as follows: (i) any addenda executed by Hexagon and Customer, with the latest addendum taking precedence over any earlier addenda; (ii) the Quote; and (iii) these Terms and Conditions.
- 21.4. Severability. Whenever possible, each provision of the Agreement shall be interpreted in such a manner as to be effective and valid under the applicable law. However, if any provision of the Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of the Agreement.
- 21.5. Headings. The various headings in these Terms and Conditions are inserted for convenience only and shall not affect the meaning or interpretation of these Terms and Conditions or any section or provision of these Terms and Conditions.
- 21.6. No Waiver. Any failure by either party to enforce performance of the Agreement shall not constitute a waiver of, or affect said party's right to avail itself of, such remedies as it may have for any subsequent breach of the terms of the Agreement.
- 21.7. Notices. Any notice or other communication ("Notice") required or permitted under the Agreement shall be in writing and either delivered personally or sent by overnight delivery, express mail, or certified or registered mail, postage prepaid, return receipt requested. A Notice delivered personally shall be deemed given only if acknowledged in writing by the person to whom it is given. A Notice sent by overnight delivery or express mail shall be deemed given twenty-four (24) hours after having been sent. A Notice that is sent by certified mail or registered mail shall be deemed given forty-eight (48) hours after it is mailed. If any time period in this Agreement commences upon the delivery of Notice to any one or more parties, the time period shall commence only when all of the required Notices have been deemed given. Hexagon's address for Notices is Hexagon Safety & Infrastructure, 305 Intergraph Way, Madison, Alabama 35758, Attn: Legal Department, 256-730-2333.
- 21.8. Assignment. Neither party shall have the right to assign any of its rights nor delegate any of its obligations under this Agreement without the prior written consent of the other party, except that Hexagon may assign its rights and obligations under this Agreement, without Customer's approval, to (i) an entity which acquires all or substantially all of the assets of Hexagon or the Hexagon division providing a product or service under this Agreement; (ii) an entity which acquires all or substantially all of the Software Products or product line assets subject to this Agreement; or (iii) any subsidiary, affiliate or successor in a merger or acquisition of Hexagon. Any attempt by Customer to sublicense, assign or transfer any of Customer's rights or obligations under this Agreement, except as expressly provided in this Agreement, is void.
- 21.9. Force Majeure. Except for payment obligations under the Agreement, neither party shall be liable for any failure to perform or observe any of its obligations under this Agreement for as long as and to the extent that such performance is prevented or hindered by any circumstances beyond its reasonable control. By way of example, and not limitation, such causes may include acts of God or public enemies; labor disputes; acts of local, state, or national governments or public agencies; utility or communications failure; fire; flood; epidemics; riots; or strikes. The time for performance of any right or obligation delayed by such events will be postponed for a period equal to the delay. If, however, a party is subject to a force majeure that endures for more than sixty (60) calendar days, the other party has a right to terminate the Agreement upon providing thirty (30) calendar days prior written notice to the party subject to the force majeure.
- 21.10. Governing Law. This Agreement shall for all purposes be construed and enforced under and in accordance with the laws of the State of Alabama and shall be deemed to have been accepted in Madison, Alabama, United States. The parties agree that any legal

action or proceeding relating to this Agreement shall be instituted in the Circuit Court for Madison County, Alabama, or the United States District Court for the Northern District of Alabama, Northeastern Division. The parties agree to submit to the jurisdiction of and agree that venue is proper in these courts in any such legal action or proceedings. This Agreement shall not be governed by the conflict of law rules of any jurisdiction or the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded.

- 21.11 Waiver of Jury Trial. Hexagon and Customer each hereby waive, to the fullest extent permitted by applicable law, any right either may have to a trial by jury for any legal proceeding arising, directly or indirectly, out of or relating to this Agreement.
- 21.12 Injunctive Relief; Cumulative Remedies. Customer acknowledges and agrees that a breach of the Agreement by Customer could cause irreparable harm to Hexagon for which monetary damages may be difficult to ascertain or may be an inadequate remedy. Customer agrees that Hexagon will have the right, in addition to its other rights and remedies, to seek and obtain injunctive relief for any breach of the Agreement by Customer, and Customer expressly waives any objection that Hexagon has or may have an adequate remedy at law with respect to any such breach. The rights and remedies set forth in this Agreement are cumulative and concurrent and may be pursued separately, successively or together.
- 21.13 Attorneys' Fees and Costs. In the event of any legal proceeding arising out of or relating to this Agreement, the prevailing party in such action shall be entitled to an award of its reasonable attorneys' fees and costs for all such legal proceedings, including for trial and all levels of appeal.
- 21.14 Governing Language. The controlling language of this Agreement is English. If Customer has received a translation into another language, it has been provided for Customer's convenience only.
- 21.15 Survival. The provisions of the Agreement which require or contemplate performance after the expiration or termination of the Agreement shall be enforceable notwithstanding said expiration or termination.

SGI-10012015

QUOTE CONFIRMATION



DEAR CJ PERRY,


Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
JTWM835	5/21/2018	MS EA	9860322	\$195,065.82

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
<u>MS EA PROJONLN GOV SS SUBSVL</u> Mfg. Part#: 7MS-00001-12-SLG Electronic distribution - NO MEDIA Contract: Arizona NVP Software (ADSP017-149774)	2	4381361	\$253.59	\$507.18
<u>MS EA POWERBIPROGOV SS ALNG</u> Mfg. Part#: DDJ-00001-12-SLG Electronic distribution - NO MEDIA Contract: Arizona NVP Software (ADSP017-149774)	2	4385631	\$85.81	\$171.62
<u>MS EA VISIO ONLINE P2 GOV PER USER</u> Mfg. Part#: P3U-00001-12-SLG Electronic distribution - NO MEDIA Contract: Arizona NVP Software (ADSP017-149774)	1	3576069	\$129.49	\$129.49
<u>MS EA VISIO ONLINE P2 GOV PER USER</u> Mfg. Part#: P3U-00001-12-SLG Electronic distribution - NO MEDIA Contract: Arizona NVP Software (ADSP017-149774)	1	3576069	\$129.49	\$129.49
<u>MS EA SQL SRV STD CORE SA</u> Mfg. Part#: 7NQ-00292-SLG Electronic distribution - NO MEDIA Contract: Arizona NVP Software (ADSP017-149774)	10	2716749	\$577.42	\$5,774.20
<u>MS EA SQL SRV STD CORE 2LIC LIC/SA</u> Mfg. Part#: 7NQ-00302-1-SLG Electronic distribution - NO MEDIA Contract: Arizona NVP Software (ADSP017-149774)	10	2869764	\$1,347.32	\$13,473.20
<u>MS EA WIN SVR DCCORE SA MVL</u> Mfg. Part#: 9EA-00278-SLG Electronic distribution - NO MEDIA Contract: Arizona NVP Software (ADSP017-149774)	40	4354663	\$123.98	\$4,959.20
<u>MS EA CUIS DC 2 CORE SA</u> Mfg. Part#: 9GS-00135-SLG Electronic distribution - NO MEDIA Contract: Arizona NVP Software (ADSP017-149774)	10	4378888	\$163.71	\$1,637.10
<u>MS EA OFFICE 365 E3 GOV P/USR</u> Mfg. Part#: AAA-11894-12-SLG	525	3753337	\$191.48	\$100,527.00

QUOTE DETAILS (CONT.)				
Electronic distribution - NO MEDIA				
Contract: Arizona NVP Software (ADSP017-149774)				
<u>MS EA ECAL BRIDGE PLT P/USR MTHLY</u>	525	3891388	\$34.11	\$17,907.75
Mfg. Part#: AAA-12428-12-SLG				
Electronic distribution - NO MEDIA				
Contract: Arizona NVP Software (ADSP017-149774)				
<u>MS EA AZURE GOVT CLOUD COMMIT</u>	1	3669730	\$1,196.73	\$1,196.73
Mfg. Part#: J5U-00001-12-SLG				
Electronic distribution - NO MEDIA				
Contract: Arizona NVP Software (ADSP017-149774)				
<u>MS EA WINE3PERDVC ALNG SA NVL PLTFRM</u>	562	5109901	\$36.68	\$20,614.16
Mfg. Part#: KV3-00353-12-SLG				
Electronic distribution - NO MEDIA				
Contract: MARKET				
<u>MS EA VISIO ONLINE P2 GOV PER USER</u>	5	3576069	\$129.49	\$647.45
Mfg. Part#: P3U-00001-12-SLG				
Electronic distribution - NO MEDIA				
Contract: Arizona NVP Software (ADSP017-149774)				
<u>MS EA OFFICE 365 E3 GOV P/USR</u>	75	3753337	\$197.34	\$14,800.50
Mfg. Part#: AAA-11894-12-SLG				
Electronic distribution - NO MEDIA				
Contract: Arizona NVP Software (ADSP017-149774)				

PURCHASER BILLING INFO		SUBTOTAL	\$182,475.07
Billing Address: FLAGSTAFF CITY ACCOUNTS PAYABLE 211 W ASPEN AVE FLAGSTAFF, AZ 86001-5399 Phone: (928) 213-2354 Payment Terms: Net 30 Days-Govt State/Local		SHIPPING	\$0.00
		SALES TAX	\$12,590.75
		GRAND TOTAL	\$195,065.82
DELIVER TO Shipping Address: FLAGSTAFF CITY CJ PERRY 211 W ASPEN AVE FLAGSTAFF, AZ 86001-5399 Phone: (928) 213-2354 Shipping Method: ELECTRONIC DISTRIBUTION		Please remit payments to: CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60679-1515	

Need Assistance? CDW-G SALES CONTACT INFORMATION			
	John Trapani	(877) 325-9490	johntra@cdwg.com

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at www.cdw.com/termsandconditions
 For more information, contact a CDW account manager
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Invoice

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Invoice INVMT031657
Date 3/9/2018

SIRSI Corporation
SirsiDynix Technology Center
3300 North Ashton Boulevard
Lehi UT 84043

Bill To: Flagstaff City/Coconino County Public Library
Attn: Accounts Payable
211 W. Aspen Avenue
Flagstaff AZ 86001-5399

Ship To: Dana H. Kjellgren
300 W. Aspen Street
Flagstaff AZ 86001

Purchase Order No.		Customer ID	Payment Terms	
		331328		
Item Number	Description	Unit Price	Ext. Price	
30-95000-110	Symphony	\$47,362.80	\$47,362.80	
30-95000-410	Test system	\$1,967.51	\$1,967.51	
30-95000-540	Datastream	\$7,388.06	\$7,388.06	
30-95000-583	Oracle Renewal	\$2,702.04	\$2,702.04	
30-95000-586	RedHat renewal	\$919.32	\$919.32	
30-95000-700	SIP/SIP2 License	\$462.12	\$462.12	
30-95000-920	SMS Notification	\$1,613.72	\$1,613.72	
30-95001-100	E-Resource Central	\$1,634.74	\$1,634.74	
30-95002-100	Enterprise	\$10,176.98	\$10,176.98	
30-95002-110	SirsiDynix PAC	\$3,267.88	\$3,267.88	
30-95002-400	Social Library	\$10.90	\$10.90	
30-95003-185	Quarterly Update Service	\$1,049.57	\$1,049.57	
30-95003-205	Hardware Peripheral-Server	\$920.13	\$920.13	
30-95003-250	3M, Bibliotheca/ITG (RFID)	\$701.55	\$701.55	
30-95003-310	Software Renewal-OS support	\$597.40	\$597.40	

Effective Period:				
April 1, 2018 - March 31, 2019				

For questions, Please Contact:
Barbara M Caradine @ 800-288-8020 ext 5566
or barbara.caradine@sirsidynix.com

Subtotal	\$80,774.72
Misc	\$0.00
Tax	\$6,832.86
Freight	\$0.00
Trade Discount	\$0.00
Total	\$87,607.58

Please Remit Payment to: SirsiDynix #774271 4271 Solutions Center, Chicago, IL 60677-4002

If paying by wire or ACH please reference the invoice number on your bank instructions.



SCHEDULE/EXHIBIT "A"
Flagstaff City/Coconino County Public Library

Item Number	Item Description	Serial Number	Qty	Coverage Effective Dates From To	EOL Date	Price	Price
10015	SirsiDynix Symphony Additional Branch Fee (ea)		1	1/Apr/18 - 31/Mar/19		1,072.39	
10015	SirsiDynix Symphony Additional Branch Fee (ea)		1	1/Apr/18 - 31/Mar/19		1,318.15	
10015	SirsiDynix Symphony Additional Branch Fee (ea)		1	1/Apr/18 - 31/Mar/19		1,508.05	
10015	SirsiDynix Symphony Additional Branch Fee (ea)		1	1/Apr/18 - 31/Mar/19		1,954.89	
10015	SirsiDynix Symphony Additional Branch Fee (ea)		1	1/Apr/18 - 31/Mar/19		1,362.83	
10015	SirsiDynix Symphony Additional Branch Fee (ea)		1	1/Apr/18 - 31/Mar/19		1,306.99	
10031	SirsiDynix Symphony Unicode Server Extension		1	1/Apr/18 - 31/Mar/19		0.00	
M-1967	Additional Library Fee		2	1/Apr/18 - 31/Mar/19		867.16	
M-1999	Authority Control		1	1/Apr/18 - 31/Mar/19		0.00	
M-2233	Information Gateway		1	1/Apr/18 - 31/Mar/19		0.00	
M-2357	Reference Librarian-PKG		2	1/Apr/18 - 31/Mar/19		0.00	
M-2375	Request Module		1	1/Apr/18 - 31/Mar/19		0.00	
M-2615	UnicomOASIS Bundled		1	1/Apr/18 - 31/Mar/19		34,388.63	
M-2655	WebCat WWW Catlog		1	1/Apr/18 - 31/Mar/19		0.00	
M-2665	WorkFlows Staff Clients		34	1/Apr/18 - 31/Mar/19		3,248.59	
M-2714	Z39.50 Version 3 Server		1	1/Apr/18 - 31/Mar/19		0.00	
12320	Symphony Web Services		1	1/Apr/18 - 31/Mar/19		0.00	
12850	Web Services Annual Recurring Package		1	1/Apr/18 - 31/Mar/19		335.12	
Symphony						47,362.80	47,362.80
10030	SirsiDynix Symphony Test System		1	1/Apr/18 - 31/Mar/19		1,967.51	
10032	SirsiDynix Symphony Unicode Server Extension Test System		1	1/Apr/18 - 31/Mar/19		0.00	
Test system						1,967.51	1,967.51
M-2408	Serials Control		1	1/Apr/18 - 31/Mar/19		0.00	
Serials						0.00	0.00
M-1958	Acquisitions and Fund Accting		1	1/Apr/18 - 31/Mar/19		0.00	
M-2085	Electronic and Data Interchange		1	1/Apr/18 - 31/Mar/19		0.00	
Acquisitions						0.00	0.00
M-2334	Outreach Services-PKG		1	1/Apr/18 - 31/Mar/19		0.00	
Outreach/Homebound						0.00	0.00
M-2288	Materials Booking		1	1/Apr/18 - 31/Mar/19		0.00	
Media Booking						0.00	0.00
M-0542	Datastream Subscription		44000	1/Apr/18 - 31/Mar/19		7,388.06	
Datastream Subscription						7,388.06	7,388.06
M-3108	Oracle Embedded License Upgrade from ISAM		1	1/Apr/18 - 31/Mar/19		2,702.04	
11780	Oracle Embedded Test License		1	1/Apr/18 - 31/Mar/19		0.00	
Oracle Renewal						2,702.04	2,702.04
12455	Red Hat Linux Operating System SW, ES		1	1/Apr/18 - 31/Mar/19		919.32	
RedHat renewal						919.32	919.32
M-2021	Bibliographic and Inv. Control		1	1/Apr/18 - 31/Mar/19		0.00	
M-2424	SmartPORT Client		4	1/Apr/18 - 31/Mar/19		0.00	
M-2428	SmartPORT Concurrent User		1	1/Apr/18 - 31/Mar/19		0.00	
Cataloging						0.00	0.00
M-2049	Circulation Control		1	1/Apr/18 - 31/Mar/19		0.00	
Circulation						0.00	0.00
11711	SirsiDynix Symphony SIP2 Interface Per Certified Vendor		1	1/Apr/18 - 31/Mar/19		327.84	
11711	SirsiDynix Symphony SIP2 Interface Per Certified Vendor	Page Public Library	1	1/Apr/18 - 31/Mar/19		134.28	
SIP/SIP2 License						462.12	462.12
12978	SirsiDynix SMS Notification for Symphony - 25K Message Package		1	1/Apr/18 - 31/Mar/19		1,613.72	
SMS Notification						1,613.72	1,613.72
13057	SirsiDynix eResource Central Gateway Services - Annual Subscription Promotio		1	1/Apr/18 - 31/Mar/19		1,634.74	
13137	SirsiDynix eRC Connector for OverDrive - Annual Subscription		1	1/Apr/18 - 31/Mar/19		0.00	
13138	SirsiDynix eRC Connector for Recorded Books OneClickDigital - Annual Subscri		1	1/Apr/18 - 31/Mar/19		0.00	
E-Resource Central						1,634.74	1,634.74
11681	SirsiDynix Enterprise, Annual Subscription		1	1/Apr/18 - 31/Mar/19		10,176.98	
Enterprise Subscription						10,176.98	10,176.98
M-2178	iBistro Suite-F		1	1/Apr/18 - 31/Mar/19		3,267.88	
SirsiDynix PAC						3,267.88	3,267.88
12854	SirsiDynix Social Library, Annual Subscription		1	1/Apr/18 - 31/Mar/19		10.90	
Social Library Subscription						10.90	10.90
13149	BLUEcloud MobileCirc, Annual Subscription		1	1/Apr/18 - 31/Mar/19		0.00	
Mobile Circ Subscription						0.00	0.00
10534	Data Services - Authority Annual Subscription - Quarterly Update Service		1	1/Apr/18 - 31/Mar/19		0.00	
12745	Data Services - Quarterly Update Service - Reading Information		1	1/Apr/18 - 31/Mar/19		1,049.57	
Quarterly Update Service						1,049.57	1,049.57
10218	Dell Production Server, Per Quote - 1		1	1/Dec/18 - 31/Mar/19		920.13	
Hardware Peripheral-Server						920.13	920.13
M-2788	3M Self Check Interface		2	1/Apr/18 - 31/Mar/19		701.55	
3M, Bibliotheca/ITG (RFID)						701.55	701.55
11331	SirsiDynix Operating System Support per Server		1	1/Dec/18 - 31/Mar/19		597.40	
Software Renewal-OS support						597.40	597.40
Total						80,774.72	80,774.72

All prices are in U.S. Dollars and are
exclusive of taxes unless otherwise noted.

Any questions regarding this schedule can be directed to:
Barbara Caradine
Barbara.Caradine@sirsidynix.com

7. B.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Chad Smith, Special Services Supervisor, Police Department
Co-Submitter: Di Ann Butkay
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Approval of Purchase: Five (5) 2018 Ford Police Interceptor Utility Vehicles in the amount of \$151,015.24 from PFVT Motors, LLC (Peoria Ford).

STAFF RECOMMENDED ACTION:

Approve the purchase of five (5) 2018 Ford Police Interceptor Utility Vehicles at a total price of \$151,015.24 (includes all applicable taxes and fees) from Peoria Ford.

Executive Summary:

The City seeks to purchase five (5) police vehicles pursuant to Section 5 of Contract No. 2018-06 which authorizes additional purchases of Ford Police Interceptor Utility Vehicles within the term of the contract, if needed. This purchase is needed due to the increase in police personnel in the form of three (3) civilian Police Aides and two (2) additional sworn officer positions. The acquisition and addition of these five (5) vehicles has been approved by the Fleet Management Committee as well as the Budget Committee.

Financial Impact:

The FY 2019 Proposed Budget includes \$60,500 in the Police Rolling Stock account 001-04-061-0221-2-4401, for the purchase of two 2018 Ford Police Interceptor Utility Vehicles and \$91,000 in the Development Fee account 003-99-000-0000-0-4277 for the purchase of three 2018 Ford Police Interceptor Utility Vehicles for the civilian Police Aides program.

Policy Impact:

There is no known or projected impact to policy regarding this matter.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Council Goals-

Personnel: Attract and Retain Quality Staff

Transportation and Other Public Infrastructure: Replace Aging Infrastructure

Regional Plan-

Goal PF.3. Provide high-quality emergency response and public safety services including law enforcement, fire, medical, and ambulance transport service.

Strategic Plan-

Provide Exceptional Service: Provide employees with tools, training, and support.

Invest In Our People: Ensure effective resources for employees.

Previous Council Decision on This:

Yes. By authorizing Contract No. 2018-06 which allowed for the purchase of additional Ford Police Interceptor Utility Vehicles within one (1) year of the October 3, 2017, if needed, Council approved the purchase of these four (4) 2018 Police Interceptor Utility Vehicles.

Options and Alternatives:

- 1) Approve the purchase of the five (5) 2018 Ford Police Interceptor Utility Vehicles from Peoria Ford in the amount of \$151,015.25.
- 2) Not approve the purchase and request a Formal Invitation For Bid, anticipating an increase in cost and lead time from factory.
- 3) Forego the purchase of these 2018 vehicles and manage the increase in vehicle downtime due to older vehicles. Increases in vehicle downtime may have a direct impact on response times to emergency calls and non-emergency calls for service. There will also be additional mechanical costs associated with maintaining an older fleet, negatively impacting the FY2019 budget.

Background/History:

An "Invitation For Bid" (IFB# 2018-06) was posted to the City's online bid system (Planet Bids) on August 1, 2017: the bid closed on August 31, 2017. The Invitation For Bid was for the purchase of four (4) 2018 Ford Interceptor Utility Vehicles. There were three (3) responsive bidders, they were: 1) Peoria Ford, 2) Babbitt Ford, and 3) Tate's Ford Lincoln Mercury.

Peoria Ford was determined to be the lowest responsible respondent with a total bid of \$120,812.20, (\$30,203.05 per unit) which includes all applicable taxes and fees.

The term of the contract is for one (1) year from the date of the contract (October 3, 2017) with an allowance for additional purchases of the Ford Police Interceptor Utility Vehicles, if needed, within that time frame.

Key Considerations:

State procurement procedures ARS 41-2533 "G" states: "The contract shall be awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in the invitation for bids". Peoria Ford was found to be the lowest responsible and responsive bidder.

Police vehicles are subject to rigorous use conditions ranging from 10 to 24 hours per day; some vehicles may even go more than 24 hours with continuous patrol use. Failure to purchase new vehicles, to replace aging vehicles, will result in fewer available patrol cars and extended patrol car downtime due to mechanical failure.

These vehicles take 12 to 16 weeks to obtain, once an order is placed; this is because they are built to the buyer's specifications from the factory. In addition to lead time from the factory, they take another four weeks to have built into a functional patrol vehicle. We have seen an annual increase in cost of the base unit price over the past three (3) years (up \$1,947.05 since 2016); we seek approval to purchase off of the existing contract price in an effort to save both time and money for the City.

The purchases being recommended have been reviewed and approved by both the Fleet Management Committee and Budget Committee. Approval of these purchases will help ensure a functional patrol fleet and continue to move the fleet in the direction of best practices in vehicle replacement.

Expanded Financial Considerations:

Forego the purchase at this time and attempt to replace the vehicles out of the Fleet General Fund FY2020 Budget.

Community Benefits and Considerations:

Sustaining a reliable police fleet helps minimize vehicle downtime, effectively maximizing the number of police vehicles available for use, which may result in faster response times and an elevated level of service to our citizens.

Community Involvement:

Inform

Expanded Options and Alternatives:

Currently, there is no hybrid version of the Interceptor Utility available. The Flagstaff Police Department had been using the Ford Interceptor Taurus Sedans, but made an informed decision to move to the utility vehicle platform in 2015 for a multitude of reasons (see below). Nationwide, you will see the same trend from other police agencies. According to 2016 sales numbers, 63% of law enforcement agencies purchased Ford law enforcement products. Out of those agencies, a total of 25,900 Interceptor Explorer Utility Vehicles were purchased, compared to 6,800 Interceptor Taurus sedans. Our rationale to remain with the utility platform is as follows:

DESIGN:

*When compared to the sedan, the Interceptor utility boasts in increased clearance for more safely traversing high water and rough roads.

*The Interceptor utility is equipped with stability control, which assists in weight distribution when turning, whereas the sedan is not.

*The Interceptor utility has more cargo space than the sedan (evacuation of children, people and animals) and is capable of safely hauling an extra 320 pounds of cargo.

*The elevated viewing position of the Interceptor utility assists the officer in seeing over cars at stop signs and when approaching intersections; officers don't need to enter as far into an intersection to ensure all vehicles are stopped before proceeding, which is particularly important when responding to an emergency call.

ERGONOMICS:

*Approximately 50% of patrol officers are 6'0" or taller, the Interceptor utility affords an easier ingress and egress to the driver's seat.

*The Interceptor utility provides increased leg and hip room.

*This is an officer's workspace for 10 hours a day, sometimes more and the additional cabin space is appreciated.

VISIBILITY:

*The Interceptor utility can have red/ blue lights placed under the lift gate, so when the rear cargo area is accessed, those lights help keep the rear of the utility illuminated (as the light bar atop the vehicle is often obstructed when the rear hatch is up). Lights under the trunk of the sedan cannot be installed; when the sedan trunk is open, the light bar becomes obscured and there is no additional lighting under the trunk to replace it.

*After upfitting is complete, from a driver perspective, there are fewer blind spots in the Interceptor utility than in the sedans.

TACTICS:

*The Interceptor utility has a higher profile and larger body, which provides additional cover/ concealment for officers during armed confrontations or in rescue situations.

CRASHES:

*Based on a review of collision related deaths, due to increased weight, drivers in a utility platform are 7.6 times more likely to survive a head-on crash, when compared to a sedan.

*The Interceptor Utility is the only police platform vehicle rated to sustain an impact up to 70 mph to the rear end and not cause potentially life-threatening deformation or crushing into the main cabin.

Attachments: Peoria Ford Contract

CONTRACT

CONTRACT FOR PURCHASE OF FOUR POLICE FORD INTERCEPTOR UTILITY VEHICLES

Contract No. 2018-06

This Contract is entered into this 3rd day of October, 2017 by and between the City of Flagstaff, a political subdivision of the State of Arizona ("City"), and PFVT Motors, a Delaware Limited Liability Company ("Contractor").

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

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

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

FOUR POLICE FORD INTERCEPTOR UTILITY VEHICLES

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

2. Compensation: In consideration for the Contractor's satisfactory performance, City shall pay Contractor the compensation described in Exhibit A. Any price adjustment must be approved in writing and approved by the parties. The City Manager or his designee (the Purchasing Director) may approve an adjustment if the Contract price is less than \$50,000; otherwise City Council approval is required.
3. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as Exhibit B are hereby incorporated in this Contractor by reference and shall apply to performance of this Contract, except to the extent modified in Exhibit A.
4. Insurance: Contractor shall meet insurance requirements of the City, set forth in Exhibit C.
5. Contract Term: The Contract term will be for one (1) year from the date the contract is signed. This one year term will allow for additional purchases of the Ford Police Interceptor Utility Vehicle if needed within that time frame.
6. Notice. Any formal notice required under this Contract shall be in writing and sent by certified mail and email as follows:

To the City:

Damian Gallegos
City of Flagstaff
211 W. Aspen
Flagstaff, Arizona 86001
dgallegos@flagstaffaz.gov

To Contractor:

Chad Welsh
PFVT Motors, LLC
9130 W. Bell Rd.
Peoria, Arizona 85382
cwelsh@peoriaford.com

With a copy to: Chad Smith
211 W Aspen Ave
Flagstaff, AZ 86001

With a copy to:

7. Authority. Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

CONTRACTOR

PFUT Motors, LLC - W-7101

Print name: William McDowell

Title: Fleet Director

CITY OF FLAGSTAFF

Josh Copley
Print name: JOSH COPLEY

Title: CITY MANAGER

Attest:

Christina Parry
City Clerk

Approved as to form:

Christina Parry for
City Attorney's Office

Notice to Proceed issued: 10/12, 2017

EXHIBIT A
SCOPE OF WORK

BACKGROUND: The Police Department is seeking to purchase four (4) Ford Interceptor Utility Vehicles.

MATERIALS AND/OR SERVICES: The City seeks to purchase, and Contractor will supply: Four Police Ford Interceptor Utility Vehicles. The vehicles must include the following components:

K8A- 2018 Interceptor Utility 3.7L V6 Ti-VCT FFV
51Y- Spot Lamp- Incandescent Bulb, Driver Only
76R- Reverse Sensing
43D- Dark Car
55B- BLIS Blind Spot Monitoring

Interior Color Charcoal Black (Order Code 9W)
Exterior Color Shadow Black (Order Code G1)

SCHEDULE: No schedule at this time.

SPECIAL TERMS AND CONDITIONS: Reserved.

SPECIFICATIONS: Reserved.

COMPENSATION: As approved by the parties in the resulting Contract.

EXHIBIT B
CITY OF FLAGSTAFF

STANDARD TERMS AND CONDITIONS

IN GENERAL

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

MATERIALS

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

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

PAYMENT

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

Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

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

SERVICES

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

INSPECTION, RECORDS, ADMINISTRATION

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

INDEMNIFICATION, INSURANCE

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

CONTRACT CHANGES

39. **PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.

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

EMPLOYEES AND SUBCONTRACTORS

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

City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A).

DEFAULT AND TERMINATION

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

proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

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

MISCELLANEOUS

- 60. **ADVERTISING:** Contractor shall not advertise or publish information concerning its Contract with City, without the prior written consent of the City.
- 61. **NOTICES:** All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract, or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent. Notice may be sent by email as a secondary form of notice.
- 62. **THIRD PARTY BENEFICIARIES:** This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.
- 63. **GOVERNING LAW:** This Contract shall be construed in accordance with the laws of Arizona.
- 64. **FORUM:** In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.
- 65. **ATTORNEYS FEES:** If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorney's fees, costs, professional fees and expenses.
- 66. **NO BOYCOTT OF ISRAEL:** Pursuant to A.R.S. §§ 35-393 and 35-393.01, the parties certify that they are not currently engaged in and agree, for the duration of the agreement, not to engage in a boycott of Israel.

EXHIBIT C INSURANCE

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

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

a. Commercial General Liability - Occurrence Form

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

b. Umbrella Coverage \$2,000,000

c. Automobile Liability –

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

d. Workers' Compensation and Employer's Liability

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

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

- a. Additional Insured. In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents and employees shall be named and endorsed as additional insureds with respect to liability arising out of this Contract and activities performed by or on behalf of the Contractor, including products and completed operations of the Contractor, and automobiles owned, leased, hired or borrowed by the Contractor.
 - b. Broad Form. The Contractor's insurance shall contain broad form contractual liability coverage.
 - c. Primary Insurance. The Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, agents and employees, shall be in excess of the coverage of the Contractor's insurance and shall not contribute to it.
 - d. Each Insured. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. Not Limited. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
 - f. Waiver of Subrogation. The policies shall contain a waiver of subrogation against the City, its officers, officials, agents and employees for losses arising from work performed by Contractor for the City.
6. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, cancelled, reduced in coverage or in limits unless prior written notice has been given to the City. Notices required by this section shall be sent directly to the Buyer listed in the original Solicitation and shall reference the Contract Number:

Attention: Damian Gallegos, Senior Procurement Specialist
Contract No. 2017-14
Purchasing Department
City of Flagstaff,
211 W. Aspen Avenue
Flagstaff, Arizona 86001

7. Acceptability of Insurers. Contractor shall place insurance hereunder with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
8. Certificates of Insurance. The Contractor shall furnish the City with certificates of insurance (ACORD form) as required by this Contract. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance. The City project/contract number and project description shall be noted on the certificates of insurance. The City must receive and approve all certificates of insurance and endorsements before the Contractor commences work.
9. Policies. The City reserves the right to require, and receive within ten (10) days, complete, certified copies of all insurance policies and endorsements required by this Contract at any time. The City

shall not be obligated, however, to review any insurance policies or to advise Contractor of any deficiencies in such policies and endorsements. The City's receipt of Contractor's policies or endorsements shall not relieve Contractor from, or be deemed a waiver of, the City's right to insist on strict fulfillment of Contractor's obligations under this Contract.

10. Modifications. Any modification or variation from the insurance requirements in this Contract must have the prior approval of the City's Attorney's Office in consultation with the City's Risk Manager, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by their handwritten revision and notation to the foregoing insurance requirements.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Mark Richardson, Operations Manager
Co-Submitter: Patrick Brown
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Approval of Contract: Approve the purchase of utility water meters from Core & Main, LP in an amount not to exceed the FY19 budgeted amount for the utility water meter replacement program.

STAFF RECOMMENDED ACTION:

Approve the purchase of utility water meters from Core & Main, LP per the attached list of items and associated pricing in an amount not to exceed the FY19 budgeted amount for the utility water meter replacement program; and authorize the City Manager to execute the necessary documents.

Executive Summary:

The purchase of these utility water meters is critical to the Water Services Division and are purchased incrementally, in bulk, on an as needed basis to maintain pre-determined inventory levels. A contract with a prior vendor for the purchase of utility water meters was not extended for the final year due to limitations within the terms on meter sizes and meter types. Prior to the solicitation of this proposed contract, the Water Services Section has limited its purchases of new utility water meters. Meter Technology Consultants assisted the Water Services Section with the solicitation to develop a comprehensive specification for most utility water meter sizes used within the City's water distribution system. This comprehensive specification also included new meter technologies and ultrasonic meters, to extend the useful life of utility water meters and provide a more accurate low flow reading.

Utility water meter replacement should occur every 10 to 12 years based on American Water Works Association (AWWA) standards. The AWWA standard measures a mechanical-type utility water meter under normal use condition. Over time the mechanical parts of a utility water meter wear and will slowly reduce the accuracy of the utility water meter. As part of the utility meter replacement program, utility water meters should be replaced on a regular schedule.

Financial Impact:

The FY19 budgeted amount for the utility water meter replacement program is \$650,000.00. These funds are held in Account No. 202-08-370-3170-0-4461.

Policy Impact:

Maintain the water distribution infrastructure.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Maintain accurate data on the water consumption throughout the water distribution system.

Has There Been Previous Council Decision on This:

Council has budgeted \$650,000.00 in FY19 for the utility water meter replacement program.

Options and Alternatives:

- 1.) Approve the contract with Core & Main, LP.
- 2.) Not approve the contract with Core & Main, LP.
- 3.) Reject all bids as submitted and direct staff to re-solicit an Invitation for Bids.

Background/History:

The City has approximately 20,000 utility water meters that are billed on a monthly basis. The size of the utility water meters range from 3/4 inch up to 10 inch and utilize various mechanical technologies (nutating disc, compound, turbine etc.). The recommended purchase covers approximately 99.5% of all utility water meters used in system. The small number of specialty meters not included in the purchase will be handled on a case-by-cases basis. Examples of a specialty meter would be a stainless steel fire service meter for specific applications.

Awarding the contract to Core & Main, LP would allow the City to continue utilizing the Itron meter reading technology as well as upgrading the utility water meter technology to ultrasonic. The upgrade to ultrasonic utility water meters will increase the longevity of the meter up to twenty years with accurate readings throughout the life expectancy of the utility water meter. In addition, Core & Main, LP has a warehouse location within the City which will help facilitate stocking and delivery of the utility water meters.

On December 29, 2017, the Purchasing section posted an Invitation for Bids solicitation on the PlanetBids website and also advertised in the AZ Daily Sun. The City received 4 bids on January 19, 2018 which were reviewed by City staff. Core & Main, LP's bid was responsive and responsible, and was determined to be the lowest price in the majority of all listed items meeting the requirements of the technical specifications. As a result, staff is recommending awarding the contract in whole to Core & Main, PL. Attached is a bid matrix of bid pricing received showing lowest bid price by item.

Key Considerations:

This contract will allow the City to purchase utility water meters under a formal contract with contract pricing and standard terms and conditions.

Expanded Financial Considerations:

The City is currently purchasing utility water meters on an as-needed basis. This contract with Core & Main, LP will allow the City to purchase utility water meters under a formal contract that includes a guaranteed pricing structure.

Community Benefits and Considerations:

CONTRACT FOR PURCHASE OF UTILITY WATER METERS
Contract No. 2018-45

This Contract is entered into this _____ day of _____, 2018, by and between the City of Flagstaff, a political subdivision of the State of Arizona ("City"), and Core & Main, LP, an Arizona limited partnership ("Contractor").

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

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

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

Utility Water Meters

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

2. Compensation: In consideration for Contractor's satisfactory performance, City shall pay Contractor the compensation described in Exhibit A. Any price adjustment must be approved in writing and approved by the parties. The City Manager or his designee (the Purchasing Director) may approve an adjustment if the Contract price is less than \$50,000; otherwise City Council approval is required.
3. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as Exhibit B are hereby incorporated in this Contractor by reference and shall apply to performance of this Contract, except to the extent modified in Exhibit A.
4. Insurance: Contractor shall meet the City's insurance requirements set forth in Exhibit C.
5. Contract Term: The Contract term is for a period of two (2) years.
6. Renewal: This Contract may be renewed or extended for up to three (3) additional one (1) year terms by mutual written consent of the parties. The City Manager or his designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.
7. Notice. Any formal notice required under this Contract shall be in writing and sent by certified mail and email as follows:

To the City:

City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
dbutkay@flagstaffaz.gov

To the Contractor:

Lance Brown
3500 E. Railhead Ave.
Flagstaff, Arizona 86004
Lance.brown@coreandmain.com

With a copy to:
Patrick O'Connor
poconnor@flagstaffaz.gov

With a copy to:

8. Authority. Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

CORE & MAIN, LP

Print name: _____

Title: _____

CITY OF FLAGSTAFF

Print name: _____

Title: _____

Attest:

City Clerk

Approved as to form:

City Attorney's Office

Notice to Proceed issued: _____, 20____

EXHIBIT A

SCOPE OF WORK

1. Attached: City of Flagstaff Specifications for Flagstaff Utilities Water Meters
2. Attached: Lowest Bid Specifications

EXHIBIT B

STANDARD TERMS AND CONDITIONS

IN GENERAL

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

MATERIALS

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

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

PAYMENT

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

Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.
20. **FEDERAL EXCISE TAXES:** The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.
21. **FUEL CHARGES:** Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by City.

- 22. **DISCOUNTS:** If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by City.
- 23. **AMOUNTS DUE TO THE CITY:** Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to City or fees and charges owed to City under this Contract.
- 24. **OFAC:** No City payments may be made to any person in violation of Office of Foreign Assets Control regulations, 31 C.F.R. Part 501.

SERVICES

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

INSPECTION, RECORDS, ADMINISTRATION

- 32. **RECORDS:** The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.
- 33. **RIGHT TO INSPECT BUSINESS:** The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.

- 34. PUBLIC RECORDS:** This Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law, A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as “confidential”, the City will endeavor to notify Contractor prior to release of such information.
- 35. CONTRACT ADMINISTRATION:** Contractor will be required to participate in the City’s Contract Administration Process. Contractor will be closely monitored for contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION, INSURANCE

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

CONTRACT CHANGES

- 39. PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.
- 40. COMPLETE AGREEMENT:** The Contract is intended to be the complete and final agreement of the parties.
- 41. AMENDMENTS:** This Contract may be amended by written agreement of the parties.
- 42. SEVERABILITY:** If any term or provision of this Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted, and the remainder of this Contract shall remain in full force and effect.
- 43. NO WAIVER:** Each party has the right insist upon strict performance of the Contract, and the prior failure of a party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.

44. **ASSIGNMENT:** This Contract may be assigned by Contractor with prior written consent of the City, which will not be unreasonably withheld. Any assignment without such consent shall be null and void. Unless expressly provided for in a separately executed Consent to Assignment, no assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to City. The Purchasing Director shall have authority to consent to an assignment on behalf of City.
45. **BINDING EFFECT:** This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

46. **SUBCONTRACTING:** Contractor may subcontract work in whole or in part with the City's advance written consent. City reserves the right to withhold consent if subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.
47. **NONDISCRIMINATION:** Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition any Contractor located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02 Civil Rights which also prohibits discrimination based on sexual orientation, or gender identity or expression.
48. **DRUG FREE WORKPLACE:** The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor personnel shall abstain from use or possession of illegal drugs while engaged in performance of this Contract.
49. **IMMIGRATION LAWS:** Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all State and Federal Immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty"). A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A).

DEFAULT AND TERMINATION

50. **TERMINATION FOR DEFAULT:** Prior to terminating this Contract for a material breach, the non-defaulting party shall give the defaulting party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting

party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches the non-defaulting party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the parties may execute all remedies available at law in addition Contract remedies provided for herein.

- 51. **CITY REMEDIES:** In the event of Contractor's default, City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.
- 52. **CONTRACTOR REMEDIES:** In the event of City's default, Contractor may pursue all remedies available at law, except as provided for herein.
- 53. **SPECIAL DAMAGES:** In the event of default, neither party shall be liable for incidental, special, or consequential damages.
- 54. **TERMINATION FOR NONAPPROPRIATION OF FUNDS:** The City may terminate all or a portion of this Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.
- 55. **TERMINATION FOR CONVENIENCE:** Unless expressly provided for otherwise in the Contract, this Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice, without further penalty or liability to Contractor. If this Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by City before the effective date of termination.
- 56. **TERMINATION DUE TO INSOLVENCY:** If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate this Contract, and Contractor is deemed in default, at any time if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.
- 57. **PAYMENT UPON TERMINATION:** Upon termination of this Contract, City will pay Contractor for satisfactory performance up until the effective date of termination. City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.
- 58. **CANCELLATION FOR GRATUITIES:** The City may cancel this Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant ("Gratuities") in connection with award or performance of the Contract.
- 59. **CANCELLATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511):** The City may cancel this Contract within three (3) years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

- 60. **ADVERTISING:** Contractor shall not advertise or publish information concerning its Contract with City, without the prior written consent of the City.

- 61. NOTICES:** All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract, or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent. Notice may be sent by email as a secondary form of notice.
- 62. THIRD PARTY BENEFICIARIES:** This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.
- 63. GOVERNING LAW:** This Contract shall be construed in accordance with the laws of Arizona.
- 64. FORUM:** In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.
- 65. ATTORNEYS FEES:** If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, professional fees and expenses.
- 66. NO BOYCOTT OF ISRAEL:** Pursuant to A.R.S. §§ 35-393 and 35-393.01, the parties certify that they are not currently engaged in and agree, for the duration of the agreement, not to engage in a boycott of Israel.

EXHIBIT C

STANDARD INSURANCE REQUIREMENTS

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

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

a. Commercial General Liability - Occurrence Form

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

b. Umbrella Coverage \$2,000,000

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

d. Workers' Compensation and Employer's Liability

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

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

- a. Additional Insured. In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents and employees shall be named and endorsed as additional insureds with respect to liability arising out of this Contract and activities performed by or on behalf of the Contractor, including products and completed operations of the Contractor, and automobiles owned, leased, hired or borrowed by the Contractor.
 - b. Broad Form. The Contractor's insurance shall contain broad form contractual liability coverage.
 - c. Primary Insurance. The Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, agents and employees, shall be in excess of the coverage of the Contractor's insurance and shall not contribute to it.
 - d. Each Insured. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. Not Limited. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
 - f. Waiver of Subrogation. The policies shall contain a waiver of subrogation against the City, its officers, officials, agents and employees for losses arising from work performed by Contractor for the City.
6. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, cancelled, reduced in coverage or in limits unless prior written notice has been given to the City. Notices required by this section shall be sent directly to the Buyer listed in the original Solicitation and shall reference the Contract Number:
- Attention: Di Ann Butkay, Buyer
Contract No. 2018-45
Purchasing Department
City of Flagstaff,
211 W. Aspen Avenue
Flagstaff, Arizona 86001.
7. Acceptability of Insurers. Contractor shall place insurance hereunder with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
8. Certificates of Insurance. The Contractor shall furnish the City with certificates of insurance (ACORD form) as required by this Contract. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy

endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance. The City project/contract number and project description shall be noted on the certificates of insurance. The City must receive and approve all certificates of insurance and endorsements before the Contractor commences work.

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

ATTACHMENT A

SPECIFICATIONS	COMPLY	COMMENTS
Flagstaff Utilities Water Meters (Ultrasonic) Sizes 3/4-2"	YES OR NO	<i>size, weight, type, etc</i>
No 5/8 X 3/4 – inch meters are requested	Yes	
Meters shall use solid state technology in a totally encapsulated, waterproof housing. Meter and register shall be a single unit with no moving parts in the flow path.	Yes	
Meters and registers shall be compatible with Itron ERTs.	Yes	
Compatible with AMI Systems and cellular network systems	Yes	
Meters shall be lead free bronze or of stainless steel construction per NSF/ANSI 61 specifications.	Yes	
Meter operating ranges by size shall be at minimum: 3/4" x 3/4" = 0.1 to 32 gpm 1" = 0.4 to 55 gpm 1 1/2" = 1.5 to 100 gpm 2" = 2 to 160 gpm	Yes	
Meters shall operate accurately at an extended low flow rate at minimums shown below: 3/4" = 0.05 gpm 1" = 0.25 gpm 1 1/2" = 0.40 gpm 2 " = 0.50 gpm	Yes	
Maximum headloss shall not exceed 2 psi at 15 gpm for 3/4 and 1-inch meters.	Yes	
Meter register shall contain a programmable up to 9-digit LCD display with the following features: -non-removable from meter -Meter shall update ERT every 10 gallons or less -Consumption (to 10 gallons or less) -Rate of flow (gpm) -Reverse-flow indicator or detection -Leak indicator or detection -High resolution ASCII encoder protocol	Yes	
Encoder register shall have a 5-foot Itron quick connect/in-line connector.	Yes	
Serial numbers shall be stamped onto the register lid as well as the meter body.	No	See Exceptions
Meter size, model, registration (gallons), and date of manufacture shall be printed on the register face.	Yes	

Meters and registers shall be submersible in pit/vault environments and shall be waterproof and weatherproof.	Yes	
Bolts that attach the bottom plate to the meter case shall be stainless steel, if applicable.	Yes	
Meters shall be maintenance free and contain no internal moving parts.	Yes	
The maximum operating pressure of the meter housing shall be at least 175 psi.	Yes	
The electronic register shall have a 20-year battery life with reads still obtainable in the event of the LCD screen failing.	Yes	
Meters shall meet or exceed AWWA C700 new meter low, normal, and high flow new meter accuracy standards for a period of 20 years from date of manufacture with no limit on cumulative flow through the meter.	Yes	
No polymer or composite bodies or meter threads will be allowed.	Yes	
All meters 1.5" and larger shall be equipped with FIP outlet test ports for field accuracy testing.	No	
Meter deliveries must include an inventory upload file for the City to upload serial numbers into its meter inventory system. See Ron Mead for specifics.	Yes	
All meters shall conform to the proposed AWWA standards for ultrasonic meters and the latest AWWA C700 at a minimum.	Yes	
All technical specification sheets for each meter shall be included in the final bid. Such information shall include accuracy versus flow and headloss versus flow curves as well as physical dimensions	Yes	
Lay length requirements for meters up to 2" are as follows: $\frac{3}{4}" \times \frac{3}{4}" = 7 \frac{1}{2}"$ $1" = 10 \frac{3}{4}"$ $1\frac{1}{2}" = 13"$ $2" = 17"$	Yes	
Annual estimated quantities are indicated below for year one and may vary for this and subsequent years. $\frac{3}{4}" \times \frac{3}{4}" = 1,200$ $1" = 50$	Yes	

1 ½" = 50 2" = 50	Yes	
Sample meters of each size for which a bid is submitted are included.	Yes	

SPECIFICATIONS	COMPLY YES OR NO	COMMENTS <i>size, weight, type, etc</i>
Flagstaff Utilities Water Meters (Large Meters- for Commercial and Fire Service Applications)		
Requested meter sizes are 3,4,6, 8, and 10 inches.	Yes	
Requested meter types are turbine Type II, compound, and fire service assemblies.	Yes	
Meters shall be lead free bronze or of stainless steel construction per NSF/ANSI 61 specifications.	Yes	
Registers shall be direct/straight read permanently sealed magnetic drive. Registers shall be waterproof and have a minimum of six odometer wheels for totalization display. Registers shall have a center sweep hand and low flow indicator.	Yes	
Register measurement shall be to the 100 gallons or less.	Yes	
Meters and registers shall be compatible with Itron ERTs.	Yes	
Compatible with AMI Systems and cellular network systems	Yes	
Registers shall be outfitted with 5 foot Itron quick connects for Itron ERTs.	Yes	
Serial numbers shall be stamped onto the register lid as well as the meter body.	Yes	
Meter size, model, registration, and date of manufacture shall be printed on the register dial face.	Yes	
Registers must affix to the meter body with a tamper proof mechanism.	Yes	
All registers shall have a warranty for a minimum of five years from date of shipment from manufacturer.	Yes	
Meter bottom plates shall be bronze or brass.	N/A	Large Commercial Meters do not have bottom plates

Bottom plate bolts shall be stainless steel.	N/A	Large Commercial Meters do not have bottom plates
All meters shall be equipped with outlet test ports.	No	See Exceptions
All meters shall operate at a minimum of 150 psi.	Yes	
Turbine type meters shall comply with AWWA C701 Class II standards.	Yes	
Turbine meters shall exhibit the following ranges of flow for the indicated sizes: 3" – 5 to 550 gpm 4" – 10 to 1250 gpm 6" – 20 to 2500 gpm 8" – 30 to 4500 gpm 10" – 50 to 7000 gpm	No	See Exceptions
Turbine meters shall have the following low flow range for the indicated sizes: 3" – 4 gpm 4" – 6 gpm 6" – 12 gpm 8" – 20 gpm 10" – 30 gpm	No	See Exceptions
Turbine meters shall have at least the following maximum continuous flow for the indicated sizes: 3" – 450 gpm 4" – 1000 gpm 6" – 2000 gpm 8" – 3500 gpm 10" – 5500 gpm	Yes	
Turbine meters shall exhibit no more head loss at maximum continuous flow than indicated for the sizes below without an integral strainer: 3" – 2 psi 4" – 8 psi 6" – 5 psi 8" – 3 psi 10" – 2 psi	No	See Exceptions
Turbine meters shall have a warranty to meet C701 accuracy standards for a minimum of 18 months after shipment from the manufacturer.	Yes	
Compound type meters shall comply with AWWA C702 standards.	Yes	
Local registers on the nutating disc low flow meter shall have a warranty for at least 25 years from date of shipment from the manufacturer.	No	See Warranty
Compound meters shall exhibit the following ranges of flow for the indicated sizes: 3" – 0.5 to 450 gpm 4" – 0.75 to 1000 gpm 6" – 0.75 to 2000 gpm	No	See Exceptions

Compound meters shall have the following low flow range for the indicated sizes: 3" – 0.25 gpm 4" – 0.375 gpm 6" – 0.375 gpm	No	See Exceptions
Compound meters shall have at least the following maximum continuous flow for the indicated sizes: 3" – 400 gpm 4" – 800 gpm 6" – 1500 gpm	Yes	
Compound meters shall exhibit no more head loss at maximum continuous flow than indicated for the sizes below without an integral strainer: 3" – 6 psi 4" – 11 psi 6" – 9.5 psi	No	See Exceptions
Compound meters shall have a warranty to meet C702 accuracy standards for a minimum of 18 months after shipment from the manufacturer.	Yes	
Fire Service Assemblies shall comply with AWWA C703 Type 2 and Type 3 standards.	Yes	
Local registers on the nutating disc bypass low flow meter shall have a warranty for at least 25 years from date of shipment from the manufacturer.	No	See Warranty
Fire Service Assemblies shall exhibit the following ranges of flow for the indicated sizes: 4" – 1.25 to 1250 gpm 6" – 1.25 to 2500 gpm 8" – 2.5 to 4500 gpm 10" – 2.5 to 7000 gpm	No	See Exceptions
Fire Service Assemblies shall have the following low flow range for the indicated sizes: 4" – 0.75 gpm 6" – 0.75 gpm 8" – 1.5 gpm 10" – 1.5 gpm	Yes	
Fire Service Assemblies shall have at least the following maximum continuous flow for the indicated sizes: 4" – 1000 gpm 6" – 2000 gpm 8" – 3500 gpm 10" – 5500 gpm	Yes	
Fire Service Assemblies shall be able to operate at 175 psi.	Yes	
Fire Service Assemblies shall be UL Certified.	Yes	
Meter deliveries must include an inventory upload file that the City is able to use for its meter inventory system. See Ron Mead for specifics.	Yes	

Specification sheets shall be provided for each meter type and size in the final bid.	Yes	
For Turbine, Compound and Fire Service Assembly type meters, lay lengths for each size and type shall be included in the bid.	Yes	
Annual quantities are estimates only and may vary per year.	Yes	
3" Turbine Estimated Annual Quantity: <5	Yes	
3" Compound Estimated Annual Quantity: <5	Yes	
4" Turbine Estimated Annual Quantity: <5	Yes	
4" Compound Estimated Annual Quantity: <5	Yes	
4" Fire Service Estimated Annual Quantity: <5	Yes	
6" Turbine Estimated Annual Quantity: <5	Yes	
6" Compound Estimated Annual Quantity: <5	Yes	
6" Fire Service Estimated Annual Quantity: <5	Yes	
8" Turbine Estimated Annual Quantity: <5	Yes	
8" Compound Estimated Annual Quantity: <5	Yes	
8" Fire Service Estimated Annual Quantity: <5	Yes	
10" Turbine Estimated Annual Quantity: <5	Yes	
10" Compound Estimated Annual Quantity: <5	Yes	
10" Fire Service Estimated Annual Quantity: <5	Yes	

SPECIFICATIONS	COMPLY YES OR NO	COMMENTS <i>size, weight, type, etc</i>
Flagstaff Utilities Water Meters (Positive Displacement: 3/4-2")		
Meters shall be magnetic drive, sealed register, positive displacement type, nutating disc cold water meters.	Yes	
Meters and registers shall be compatible with Itron ERTs.	Yes	
Compatible with AMI Systems and cellular network systems	Yes	
Meters shall be lead-free bronze per NSF/ANSI 61 specifications.	Yes	
Registers shall be direct/straight read mechanical registers with absolute encoder technology. Registers shall have 9 dials.	No	See Exceptions
Register measurement shall be to the 10 gallons. Meter shall update ERT every 10 gallons or less.	Yes	

Absolute encoder register shall have a 5-foot Itron quick connect/in-line connector.	Yes	
Serial numbers shall be stamped onto the register lid as well as the meter body.	Yes	
Meter size, model, registration, and date of manufacture shall be printed on the register face.	Yes	
Registers shall affix to the meter body with a tamper proof mechanism.	Yes	
The meter measuring chamber shall be constructed of a non-corrosive synthetic polymer and shall not be cast as part of the meter main case.	Yes	
Bolts that attach the bottom plate to the meter case shall be stainless steel.	Yes	
Meters shall utilize nutating disc technology. The motion of the measuring disc shall be transmitted to the sealed register through the use of a magnetic drive assembly. The disc center pin as well as the magnetic drive assembly shaft shall be stainless steel.	No	See Exceptions
No polymer or composite bodies or meter threads will be allowed.	Yes	
Meters shall provide a maximum operating pressure of at least 150 with 175 psi preferred.	Yes	
All meters shall not exceed a maximum allowable pressure loss of 15 pounds per square inch at the safe operating flow capacity specified for a given meter size.	Yes	
Meters shall have the capacity to operate under the maximum flow conditions shown below for the meter size indicated: Size (in.) Max.Op. Capacity (gpm) 3/4 30 1 50 1 1/2 100 2 160	Yes	
All 3/4 and 1" meters shall meet or exceed current AWWA C700 new meter low, normal, and high flow new meter accuracy standards for a minimum period of 5 years from date of manufacture. Meters shall achieve AWWA repaired meter accuracy standards for 15 years from date of manufacture.	No	See Warranty
All 1 1/2 and 2" meters shall meet or exceed		

current AWWA C700 new meter accuracy standards for a minimum period of 2 years from the date of manufacture. Meters shall achieve AWWA repaired meter accuracy standards for a minimum period of 15 years from date of manufacture.	No	See Warranty
All meters shall be constructed with an internal corrosion-resistant strainer which is easily removed from the meter body. Strainers for 1 ½ and 2-inch meters shall be stainless steel.	No	See Exceptions
All 1.5" and 2" meters shall be equipped with FIP outlet test ports for field accuracy testing.	Yes	
Meter deliveries must include an inventory upload file for the City to upload serial numbers into its meter inventory system. See Ron Mead for specifics.	Yes	
All meters shall conform to the latest AWWA C700 standards at minimum.	Yes	
All technical specification sheets for each meter shall be included in the final bid. Such information shall include accuracy versus flow and headloss versus flow curves as well as physical dimensions.	Yes	
Lay length requirements for meters up to 2" are as follows: ¾" x ¾" = 7 ½" 1" = 10 ¾" 1 ½" = 13" 2" = 17"	Yes	
Annual estimated quantities are indicated below for year one and may vary for this and subsequent years. ¾" x ¾" = 1,200 1" = 50 1 ½" = 50 2" = 50	Yes	
Sample meters of each size for which a bid is submitted are included.	Yes	
No 5/8 X 3/4-inch meters are being requested	Yes	

City of Flagstaff
Water Services
Water Meter Bid

Water Meter Offered: Ultrasonic (Residential)

¾" X ¾" Sizes offered:	UNIT PRICE	\$ 172.04
1" Sizes offered:	UNIT PRICE	\$ 215.05
1.5" Sizes offered:	UNIT PRICE	\$ 434.07
2" Sizes offered:	UNIT PRICE	\$ 516.48
¾ x ¾": Sizes offered: Fire Service	UNIT PRICE	\$ 172.04
1": Sizes offered: Fire Service	UNIT PRICE	\$ 215.05
1.5": Sizes offered: Fire Service	UNIT PRICE	\$ 434.07
2" Sizes offered: Fire Service	UNIT PRICE	\$ 516.48
	FREIGHT	\$ n/a
	TAX (8.951) %	\$ 239.47
	TOTAL UNIT PRICE	\$ 2914.75

OPTIONS (Please state additional cost from "base price")

(1) Discount for quantity purchase? \$ n/a

Any other specifications not standard, but being specified, must be included here, with price.

Miscellaneous charges: _____

(All charges must be included, no extra charges will be considered at a later date.)

DELIVERY:
 Maximum number of calendar days to deliver after receipt of a purchase order is 30 Days

City of Flagstaff
Water Services
Water Meter Bid

Water Meter Offered:	Positive Displacement (PD)	
¾" X ¾" Sizes offered:	UNIT PRICE	<u>\$ 110.75</u>
1" Sizes offered:	UNIT PRICE	<u>\$ 150.54</u>
1.5" Sizes offered:	UNIT PRICE	<u>\$ 313.19</u>
2" Sizes offered:	UNIT PRICE	<u>\$ 395.60</u>
	FREIGHT	<u>\$ n/a</u>
	TAX (8.951) %	<u>\$ 86.83</u>
	TOTAL UNIT PRICE	<u>\$ 1056.91</u>

OPTIONS (Please state additional cost from "base price")

(1) Discount for quantity purchase? \$ n/a

Any other specifications not standard, but being specified, must be included here, with price.

Miscellaneous charges: _____

(All charges must be included, no extra charges will be considered at a later date.)

DELIVERY:

Maximum number of calendar days to deliver after receipt of a purchase order is 30 Days

City of Flagstaff
Water Services
Water Meter Bid

Water Meter Offered:	Large Meters for Commercial	
3" Sizes offered:Turbine	UNIT PRICE	<u>\$ 807.69</u>
4" Sizes offered:Turbine	UNIT PRICE	<u>\$ 1043.96</u>
6" Sizes offered:Turbine	UNIT PRICE	<u>\$ 1956.04</u>
8" Sizes offered:Turbine	UNIT PRICE	<u>\$ 2912.09</u>
10" Sizes offered:Turbine	UNIT PRICE	<u>\$ 4395.60</u>
3" Sizes offered: Compound	UNIT PRICE	<u>\$ 1620.88</u>
4" Sizes offered: Compound	UNIT PRICE	<u>\$ 2060.44</u>
6" Sizes offered: Compound	UNIT PRICE	<u>\$ 3626.37</u>
8" Sizes offered: Compound	UNIT PRICE	<u>\$6587.91</u>
10" Sizes offered: Compound	UNIT PRICE	<u>\$ no bid</u>
	FREIGHT	<u>\$ n/a</u>
	TAX (8.951) %	<u>\$ 2238.73</u>
	TOTAL UNIT PRICE	<u>\$ 27,249.71</u>

OPTIONS (Please state additional cost from "base price")

(1) Discount for quantity purchase? \$ n/a

Any other specifications not standard, but being specified, must be included here, with price.

Miscellaneous charges: _____

(All charges must be included, no extra charges will be considered at a later date.)

DELIVERY:

Maximum number of calendar days to deliver after receipt of a purchase order is 30 Days

City of Flagstaff
Water Services
Water Meter Bid

Water Meter Offered: Fire Service Assembly

4"Sizes offered: Turbine	UNIT PRICE	<u>\$ 1043.96</u>
6"Sizes offered: Turbine	UNIT PRICE	<u>\$ 1956.04</u>
8"Sizes offered:	UNIT PRICE	<u>\$ 9010.99</u>
10"Sizes offered:	UNIT PRICE	<u>\$ 13,296.70</u>
	FREIGHT	<u>\$ n/a</u>
	TAX (8.951) %	<u>\$ 2,265.29</u>
	TOTAL UNIT PRICE	<u>\$ 27,572.98</u>

OPTIONS (Please state additional cost from "base price")

(1) Discount for quantity purchase? \$ n/a

Any other specifications not standard, but being specified, must be included here, with price.

Miscellaneous charges: _____

(All charges must be included, no extra charges will be considered at a later date.)

DELIVERY:

Maximum number of calendar days to deliver after receipt of a purchase order is 30 Days

City of Flagstaff
Water Services
Water Meter Bid

Water Meter Offered:

Reclaim Meter

¾" X ¾" Sizes offered: PD	UNIT PRICE	<u>\$ 110.75</u>
1" Sizes offered: PD	UNIT PRICE	<u>\$ 150.54</u>
1.5" Sizes offered: PD	UNIT PRICE	<u>\$ 313.19</u>
2" Sizes offered: PD	UNIT PRICE	<u>\$ 395.60</u>
1.5 " Sizes offered: Turbine	UNIT PRICE	<u>\$ no bid item</u>
2" Sizes offered: Turbine	UNIT PRICE	<u>\$ no bid item</u>
3" Sizes offered: Turbine	UNIT PRICE	<u>\$ 807.69</u>
4" Sizes offered: Turbine	UNIT PRICE	<u>\$ 1043.96</u>
6: Sizes offered: Turbine	UNIT PRICE	<u>\$ 1956.04</u>
8" Sizes offered: Turbine	UNIT PRICE	<u>\$ 2912.09</u>
10" Sizes offered: Turbine	UNIT PRICE	<u>\$ 4395.60</u>
	FREIGHT	<u>\$ n/a</u>
	TAX (8.951) %	<u>\$ 1081.77</u>
	TOTAL UNIT PRICE	<u>\$ 13,167.23</u>

OPTIONS (Please state additional cost from "base price")

(1) Discount for quantity purchase? \$ n/a

Any other specifications not standard, but being specified, must be included here, with price.

Miscellaneous charges: _____

(All charges must be included, no extra charges will be considered at a later date.)

DELIVERY:

Maximum number of calendar days to deliver after receipt of a purchase order is 30 Days

Lowest Bid

SPECIFICATIONS	National Meter & Automation (Badger)	Core & Main (Neptune)	Mountain States Pipe (Kamstrup)	Dana Kepner (Sensus)
Positive Displacement	Price Offered	Price Offered	Price Offered	Price Offered
Water Meters (Positive Displacement: 3/4-2")				
3/4" Meter pricing	\$ 146.25	\$ 110.75	N/A	\$ 207.00
1" Meter pricing	\$ 196.21	\$ 150.54	N/A	\$ 259.00
1 1/2" Meter pricing	\$ 410.30	\$ 313.19	N/A	\$ 548.00
2" Meter pricing	\$ 579.15	\$ 395.60	N/A	\$ 754.00
3/4" Reclaim Meter pricing	\$ 150.26	\$ 110.75	N/A	\$ 207.00
1" Reclaim Meter pricing	\$ 204.22	\$ 150.54	N/A	\$ 259.00
1 1/2" Reclaim Pricing	\$ 422.34	\$ 313.19	N/A	\$ 565.00
2" Reclaim Meter pricing	\$ 591.19	\$ 395.60	N/A	\$ 771.00

UltraSonic**Water Meters (Ultrasonic) Sizes 3/4-2"**

3/4" Meter pricing	\$ 172.87	\$ 172.04	\$ 125.50	\$ 148.00
1" Meter pricing	\$ 201.32	\$ 215.05	\$ 226.80	\$ 206.00
1 1/2" Meter pricing	\$ 460.99	\$ 434.07	\$ 406.00	N/A
2" Meter pricing	\$ 616.35	\$ 516.48	\$ 534.80	N/A
3/4" Fire Service Meter pricing	\$ 181.98	\$ 172.04	N/A	\$ 175.00
1" Fire Service Meter pricing	\$ 210.43	\$ 215.05	N/A	\$ 232.00
Fire Service 1 1/2" Meter pricing	\$ 470.10	\$ 434.07	N/A	N/A
2" Fire Service Meer pricing	\$ 625.46	\$ 516.48	N/A	N/A

Larger Meters**Water Meters (Large Meters- for Commercial and Fire Service Applications)**

3" Turbine Meter pricing	\$ 842.47	\$ 807.69	N/A	\$ 1,274.00
3" Compound Meter pricing	\$ 1,689.68	\$ 1,620.88	N/A	\$ 1,816.00
4" Turbine Meter pricing	\$ 1,232.14	\$ 1,043.96	N/A	\$ 2,429.00
4" Compound Meter pricing	\$ 2,745.50	\$ 2,060.44	N/A	\$ 3,115.00
6" Turbine Meter pricing	\$ 2,914.73	\$ 1,956.04	N/A	\$ 4,346.00
6" Compound Meter pricing	\$ 4,004.11	\$ 3,626.37	N/A	\$ 5,358.00
8" Turbine Meter pricing	\$ 3,236.40	\$ 2,912.09	N/A	\$ 7,365.00
8" Compound Meter pricing	\$ 5,940.70	\$ 6,587.91	N/A	\$ 8,651.00
10" Turbine Meter pricing	\$ 4,420.35	\$ 4,395.60	N/A	\$ 9,580.00
10" Compound Meter pricing	NO BID	NO BID	N/A	\$ 11,141.00
4" FSAA - Turbine Meter pricing	\$ 6,364.12	\$ 1,043.96	N/A	\$ 7,062.00
6" FSAA - Turbine Meter pricing	\$ 9,105.98	\$ 1,956.04	N/A	\$ 9,327.00
8" FSAA Meter pricing	\$ 12,424.44	\$ 9,010.99	N/A	\$ 13,845.00
10" FSAA Meter pricing	\$ 17,877.51	\$ 13,296.70	N/A	\$ 19,691.00

8. A.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Sandy Corder, Revenue Director
Co-Submitter: Anja Wendel, Senior City Attorney
Co-Submitter: Rick Tadder
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Adoption of Resolution No. 2018-27: A resolution of the City Council of the City of Flagstaff, Arizona declaring that certain document known as "the 2018 Business License Regulations" as a public record; **and Ordinance No. 2018-22**, an ordinance of the City Council of the City of Flagstaff, Arizona, amending the Flagstaff City Code, Title 3, *Business Regulations*, Chapters 3-01, 3-03, 3-05, and 3-0810, by updating business licensing regulations to obtain a more complete picture of the Flagstaff business community, simplify licensing procedures, and update licensing fees; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date. (***Business license updates***)

STAFF RECOMMENDED ACTION:

- 1) Adopt Resolution No. 2018-27
- 2) Read Ordinance No. 2018-22 by title only for the final time
- 3) City Clerk reads Ordinance No. 2018-22 by title only (if approved above)
- 4) Adopt Ordinance No. 2018-22

Executive Summary:

The proposed updated 2018 Business License Regulations will assist in streamlining the licensing processes for businesses and City staff, as well as ensure that local and state mandates are currently reflected. The City proposes to require a business license for all non-exempt business locations, at \$8 per year. This is a decrease from the current \$20/year fee for occupational licenses. The City proposes to change the local transaction privilege tax license from a one-time \$46/year to an annual ~~\$38~~\$36/year. At the June 5, 2018 Council Meeting Council approved a first reading of the Ordinance 2018-22 that will set the local transaction privilege tax license fee at \$18/year.

Financial Impact:

Currently, the City budgets and recoups approximately 10% of the costs associated with administering the local privilege and use tax (Sales Tax) program and 58% of the costs associated with administering Business Licensing. The proposed fees would allow for almost 100% cost recovery of both City staff, as well as the annual fee charged by the Arizona Department of Revenue for local tax administration.

Policy Impact:

None.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

City of Flagstaff Council Goals 2017-2019:

Community Outreach Enhance public transparency and accessibility.

Team Flagstaff Strategic Plan 2017:

Strategic Priority #3: Foster a resilient and economically prosperous city 1. Enhance the organization's fiscal stability and resourcefulness. 2. Deliver outstanding services through a healthy environment, resources, and infrastructure. 3. Support sustainable economic development and its practices. 5. Continue to enhance community outreach and engagement.

Has There Been Previous Council Decision on This:

Yes. Staff recommended changes were presented to City Council at the May 8, 2018, Work Session. Further discussion and first read of the ordinance and resolution were held on June 5, 2018.

Options and Alternatives:

1. Approve Resolution 2018-27 and Ordinance 2018-22 as presented.
2. Amend and approve licensing requirements in Resolution 2018-27 and Ordinance 2018-22.
3. Amend and approve licensing fees in Resolution 2018-27 and Ordinance 2018-22 at 50% cost recovery.
4. Amend and approve licensing fees in and Resolution 2018-27 and Ordinance 2018-22 at approximate 23% cost recovery.
5. Direct staff to take other action.

Background/History:

The City's Revenue Director and Senior Assistant City Attorney will present information on staff proposed amendments to the Business License Regulations, as well as recommended changes in associated Business License and Transaction Privilege Tax (TPT) fees.

City staff is proposing amendments to Business Licensing Regulations to obtain a complete picture of all businesses located within the City and to help with code compliance. The City currently only requires a business license for certain occupations. The City requires a local transaction privilege tax (TPT) license, but this is now issued by the Arizona Department of Revenue (ADOR). ADOR relies on the City and taxpayers to update its records.

The City Council in the past has directed staff to work on new Business Licensing Regulations. The proposed changes are outlined in the attached handout. The proposed fee changes have been posted on the City website and social media. City staff presented the proposed changes to the Chamber of Commerce Business Advocacy Group on April 19th, the Downtown Business Alliance group on April 30th, the Flagstaff Lodging and Restaurant Association on May 15th, and the Flagstaff Independent

Business Alliance on May 22nd. Additionally, information was provided to the Greater Chamber of Commerce and feedback was discussed with their representative. City staff hopes to meet with other community groups as well before the final adoption of changes

The primary changes are:

1. All businesses located within the City must obtain a business license unless exempted by law;
2. The business license fee will be reduced from \$20/year to \$8/year (the City is able to reduce the annual fee because more businesses will now be licensed);
3. The local TPT license fee will be changed from \$46/one time to ~~\$38~~ \$36/year (the City is seeking to recoup the \$150,000/year being charged to the City by ADOR for local tax administration);
4. Peddlers and solicitors will no longer have a separate licensing system, they will obtain a business license.

Key Considerations:

Historically, and especially since the advent of Arizona Department of Revenue assuming administrative duties for Transaction Privilege Tax (TPT), the program has not fully recovered costs of the program with existing revenues. Current revenues are approximately \$57,000 which represents a 20% cost recovery. Though there has been some concern expressed regarding the annual fee, most reaction from the community outreach has been positive and businesses understand it is a reasonable cost and the justification.

Below are three options for Council consideration, based on concerns raised regarding ~~\$38~~ \$36 annual fee and a request for a nominal fee. The represent Option 1 with full cost recovery, Option 2 with 50% cost recovery, and Option 3 with approximately a 23% cost recovery. Option 3 provides similar annual revenues as current fees represent. **Staff recommends Option 1.**

# of Licenses	
Business Licenses	7,000
Transaction Privilege Tax Licenses	6,684

Option 1: Full Cost Recovery

Description	Revenue	Staff Cost	ADOR Cost	Variance	Recovery %	Cost/License
Business License	\$56,000	\$56,020	\$0	(\$20)	100%	\$8
Transaction Privilege Tax License	\$240,624	\$92,586	\$150,000	(\$1,962)	99%	\$36

Option 2: 50% Cost Recovery

Description	Revenue	Staff Cost	ADOR Cost	Variance	Recovery %	Cost/License
Business License	\$28,000	\$56,020	\$0	(\$28,020)	50%	\$4

Transaction Privilege Tax License	\$120,312	\$92,586	\$150,000	(\$122,274)	50%	\$18
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Option 3: Approximate 23% Cost Recovery (Flat Revenue Option)

Description	Revenue	Staff Cost	ADOR Cost	Variance	Recovery %	Cost/License
Business License	\$14,000	\$56,020	\$0	(\$42,020)	25%	\$2
Transaction Privilege Tax License	\$53,472	\$92,586	\$150,000	(\$189,114)	22%	\$8

Community Benefits and Considerations:

City staff proposes annual business licensing renewals in order to obtain a more complete and accurate picture of the Flagstaff business community. With an annual renewal, staff is able to determine the number and types of businesses that are operating, opening, relocating, and closing. By cross checking the applications for business licenses with transaction privilege numbers issued by ADOR, staff can assist businesses in ensuring they are in compliance with having the applicable license, reporting under the correct category, and collecting the correct amount of tax for their business type. In turn, we can again build a database, to share information and statistics with City staff, as well as interested community partners.

The recommended changes go beyond how the fees can assist with improving capturing data, staff is also making recommendations for code compliance to reflect current practices and to implement updated software for business licensing and renewal that will streamline the process and payments for businesses. Most importantly is bringing the code up to current legal standards while eliminating duplicative licensing requirements.

Community Involvement:

City staff met with following Flagstaff business community groups to inform them of proposed business licensing regulation changes, and to solicit their views and comments: April 19, 2018 Chamber Greater Advocacy Group

April 30, 2018 Downtown Business Alliance

May 15, 2018 Flagstaff Lodging and Restaurant Association

May 22, 2018 Flagstaff Independent Business Alliance Additionally, material was shared and feedback received with the Greater Chamber of Commerce.

Regarding the comments received at the writing of this agenda item, individuals and groups expressed a desire for improved aggregate tax revenue reporting to better understand the economic health of the geographic areas or industries. We are working with the Arizona Department of Revenue to help improve their reporting to the City. Some were concerned with the proposed annual transaction privilege tax license fee of \$38, which would allow for 100% cost recovery of City and State pass through administrative cost, however, most were not opposed to the fee. Overwhelming, the feedback was positive in the efforts to ensure data is correct by knowing when businesses are no longer within the community, which would be achieved through an annual renewal.

After meeting with community groups, City staff obtained updated data concerning the numbers of

businesses located in the City that require a local TPT license. With that updated number, City staff is able to conclude that the annual \$38 fee may be reduced to \$36. Also City staff reviewed other cities' business and TPT licensing fees. This information will be presented at the Council Meeting simply for comparison purposes. The City's fees are based on its administrative costs, which may differ from other cities.

Attachments: Res. 2018-27
 Ord. 2018-22
 Comparison Chart
 Notice of Proposed Fee
 Presentation

RESOLUTION NO. 2018-27

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF,
ARIZONA, DECLARING THAT CERTAIN DOCUMENT KNOWN AS "THE 2018
BUSINESS LICENSE REGULATIONS" AS A PUBLIC RECORD**

RECITALS:

WHEREAS, pursuant to A.R.S. § 9-802 a municipality may enact or amend provisions of the City Code by reference to a public record, provided that the adopting ordinance is published in full;

ENACTMENTS:

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

That certain document known as "The 2018 Business License Regulations" attached hereto as Exhibit A is hereby declared to be a public record, and three (3) copies shall remain on file with the City Clerk or one paper copy and one electronic copy maintained in compliance with A.R.S. § 44-7041 or public record shall remain on file with the City Clerk.

PASSED AND ADOPTED this 19th day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A

2018 BUSINESS LICENSE REGULATIONS

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-01, *General License Regulations*, Section 3-01-001-0002, *License Taxes*, is hereby amended **effective September 1, 2018** by moving a portion of the text into Chapter 3-05, *Privilege and Excise Taxes*, Section 3-05-008-0801 (for purposes of brevity, text which is not being moved is simply noted as * * *) (deletions shown as stricken, new text shown as capitalized and underlined) as follows:

3-01-001-0002 LICENSE TAXES

* * *

~~Telephone service providers: an annual license tax of two percent (2%) shall be paid on the gross proceeds of all sales of telephone services by any provider who uses any City right-of-way. Said license tax shall be paid to the City at the end of each quarter. Gross proceeds of all sales shall include business done exclusively within the City and the State of Arizona, and will exclude any business done to or from points outside the State and telephone services provided to all U.S. governmental units.~~

* * *

3-05-008-0801 ~~RESERVED~~**TELEPHONE SERVICE LICENSE TAX**

TELEPHONE SERVICE PROVIDERS. AN ANNUAL LICENSE TAX OF TWO PERCENT (2%) SHALL BE PAID ON THE GROSS PROCEEDS OF ALL SALES OF TELEPHONE SERVICES BY ANY PROVIDER WHO USES ANY CITY RIGHT-OF-WAY. SAID LICENSE TAX SHALL BE PAID TO THE CITY AT THE END OF EACH QUARTER. GROSS PROCEEDS OF ALL SALES SHALL INCLUDE BUSINESS DONE EXCLUSIVELY WITHIN THE CITY AND THE STATE OF ARIZONA, AND WILL EXCLUDE ANY BUSINESS DONE TO OR FROM POINTS OUTSIDE THE STATE AND TELEPHONE SERVICES PROVIDED TO ALL U.S. GOVERNMENTAL UNITS¹.

The Flagstaff City Code, Title 3 *Business Regulations*, Chapter 3-01, *General License Regulations*, is amended **effective September 1, 2018** by amending the sections as shown below (additions shown in capitalized, underlined text, and deletions shown as stricken):

SECTIONS:

3-01-001-0001 ~~WHOLESALE CONCERNS: DEFINITIONS:~~
3-01-001-0002 ~~LICENSE TAXES: LICENSE REQUIRED:~~

¹ THIS VOTER-APPROVED TAX WAS ADOPTED IN 1962, PRE-DATES THE 1987 MODEL CITY TAX CODE, IS SEPARATELY IMPOSED, AND WAS PREVIOUSLY CODIFIED IN SECTION 3-01-001-0002, LICENSE TAXES.

<u>3-01-001-0003</u>	<u>LICENSE TAX COLLECTOR: LICENSE EXEMPTIONS:</u>
<u>3-01-001-0004</u>	<u>COLLECTION OF LICENSE TAXES: LICENSE APPLICATION:</u>
<u>3-01-001-0005</u>	<u>APPLICATION FOR LICENSE: TRANSIENT MERCHANTS –</u> <u>SUPPLEMENTARY INFORMATION:</u>
<u>3-01-001-0006</u>	<u>TERM OF LICENSE: LICENSE TERM: RENEWAL; PENALTIES:</u>
<u>3-01-001-0007</u>	<u>TRANSFER OF LICENSES:</u>
<u>3-01-001-0008</u>	<u>LICENSES FOR DIFFERENT LOCATIONS: DISPLAY OF LICENSE:</u>
<u>3-01-001-0009</u>	<u>REVOCAION OF LICENSE: LOCATION RESTRICTIONS:</u>
<u>3-01-001-0010</u>	<u>LICENSE REGISTER: SOLICITATION PROHIBITED:</u>
<u>3-01-001-0011</u>	<u>MISDEMEANOR DECLARED: LICENSE DENIAL, REVOCATION,</u> <u>SUSPENSION:</u>
<u>3-01-001-0012</u>	<u>EXEMPTIONS: NOTICE OF HEARING AND APPEAL:</u>
<u>3-01-001-0013</u>	<u>ENFORCEMENT:</u>

CHAPTER 3-01

GENERAL BUSINESS LICENSE REGULATIONS

3-01-001-0001 DEFINITIONS:

"ADMINISTRATOR" SHALL MEAN THE LICENSE ADMINISTRATOR DESIGNATED BY THE CITY MANAGER.

"BUSINESS" INCLUDES ALL ACTIVITIES OR ACTS, PERSONAL OR CORPORATE, ENGAGED IN OR CAUSED TO BE ENGAGED IN WITH THE OBJECT OF GAIN, BENEFIT OR ADVANTAGE EITHER DIRECTLY OR INDIRECTLY, BUT DOES NOT INCLUDE THE FOLLOWING:

1. CASUAL ACTIVITIES OR SALES; OR
2. THE TRANSFER OF ELECTRICITY FROM A SOLAR PHOTOVOLTAIC GENERATION SYSTEM TO AN ELECTRIC UTILITY DISTRIBUTION SYSTEM.

"BUSINESS LOCATION" MEANS THE FOLLOWING:

1. ANY LOCATION FROM WHICH A PERSON ENGAGES IN BUSINESS ON A PERMANENT BASIS;
2. ANY LOCATION FROM WHICH A PERSON ENGAGES IN BUSINESS ON A TEMPORARY BASIS;
3. ANY AREAS OF THE CITY WHERE THE PERSON ENGAGES IN TRANSIENT MERCHANT ACTIVITIES.

"BUSINESS LICENSE" SHALL MEAN ANY BUSINESS LICENSE REQUIRED UNDR SECTION 3-01001-0002, LICENSE REQUIRED.

"CASUAL ACTIVITY OR SALE" MEANS A TRANSACTION OF AN ISOLATED NATURE MADE BY A PERSON WHO NEITHER REPRESENTS HIMSELF TO BE NOR IS ENGAGED IN A BUSINESS SUBJECT TO A LICENSE REQUIRED BY THIS CHAPTER. HOWEVER, NO SALE, RENTAL, LICENSE FOR USE, OR LEASE TRANSACTION CONCERNING REAL PROPERTY NOR ANY ACTIVITY ENTERED INTO BY A BUSINESS REQUIRED TO BE LICENSED BY THIS CHAPTER SHALL BE TREATED, OR BE EXEMPT, AS CASUAL. THIS DEFINITION SHALL INCLUDE SALES OF USED CAPITAL ASSETS; PROVIDED, THAT THE VOLUME AND FREQUENCY OF SUCH SALES DO NOT INDICATE THAT THE SELLER REGULARLY ENGAGES IN SELLING SUCH PROPERTY.

"CITY FACILITIES" MEANS ANY CITY PROPERTY OTHER THAN RIGHT-OF-WAY AND INCLUDES BUILDINGS, PARKING LOTS AND OPEN SPACE.

"ENGAGING" WHEN USED WITH REFERENCE TO ENGAGING OR CONTINUING IN BUSINESS, INCLUDES THE EXERCISE OF CORPORATE OR FRANCHISE POWERS.

"FAIR VENDOR" MEANS ANY PERSON WHO ENGAGES IN A TEMPORARY BUSINESS OF DISPLAYING OR SELLING ANY TYPE OF TANGIBLE PERSONAL PROPERTY, AND WHO OCCUPIES A STALL, BOOTH OR OTHER TEMPORARY STRUCTURE ON LOCATION IN CONJUNCTION WITH, ASSOCIATED WITH OR ATTENDANT TO A PRESCHEDULED FAIR, CONVENTION, CELEBRATION, PROMOTION OR OTHER PUBLIC GATHERING, WHICH PRESCHEDULED FAIR, CONVENTION, CELEBRATION, PROMOTION OR OTHER PUBLIC GATHERING WHICH IS NOT LONGER THAN FIFTEEN (15) DAYS IN DURATION AND OF WHICH THE FIRST PUBLIC ANNOUNCEMENT IS THIRTY (30) DAYS OR MORE PRIOR TO ITS COMMENCEMENT.

"PERMANENT BASIS" MEANS 45 CALENDAR DAYS OR LONGER WITHIN A YEAR.

"PERSON" MEANS AN INDIVIDUAL, FIRM, PARTNERSHIP, JOINT VENTURE, ASSOCIATION, CORPORATION, ESTATE, TRUST RECEIVER, SYNDICATE, BROKER, THE FEDERAL GOVERNMENT, THIS STATE, OR ANY POLITICAL SUBDIVISION OR AGENCY OF THIS STATE. FOR THE PURPOSES OF THIS CHAPTER, A PERSON SHALL BE CONSIDERED A DISTINCT AND SEPARATE PERSON FROM ANY GENERAL OR LIMITED PARTNERSHIP OR JOINT VENTURE OR OTHER ASSOCIATION WITH WHICH SUCH PERSON IS AFFILIATED. A SUBSIDIARY CORPORATION SHALL BE CONSIDERED A SEPARATE PERSON FROM

ITS PARENT CORPORATION FOR PURPOSES OF TAXATION OF TRANSACTIONS WITH ITS PARENT CORPORATION.

"TEMPORARY BASIS" MEANS 44 CONTIGUOUS CALENDAR DAYS OR LESS WITHIN A YEAR.

"TEMPORARY LOCATION" MEANS ANY PLACE WHERE BUSINESS IS OPERATED ON A "TEMPORARY BASIS."

"TRANSIENT MERCHANT" MEANS ANY OF THE FOLLOWING:

1. A PEDDLER: A PERSON USING THE PUBLIC RIGHTS-OF-WAY TO TRAVEL ABOUT AND SELL ANY TYPE OF TANGIBLE PERSONAL PROPERTY, INCLUDING BUT NOT LIMITED TO FOOD AND DRINK, WHICH IS CARRIED ON HIS PERSON, BICYCLE, WAGON, PUSH CART, OR VEHICLE.
2. A SOLICITOR: A PERSON WHO GOES UNINVITED FROM RESIDENCE TO RESIDENCE OR TO ONLY ONE RESIDENCE WITHIN THE CITY OFFERING TO SELL ANY TYPE OF SERVICE OR ANY TANGIBLE PERSONAL PROPERTY. A SOLICITOR SHALL NOT INCLUDE AN EMPLOYEE, AGENT OR CONTRACTOR OF A BUSINESS LICENSED UNDER THIS CHAPTER WHO GOES UNINVITED FROM BUSINESS TO BUSINESS OFFERING TO SELL ANY TYPE OF SERVICES OR ANY TANGIBLE PERSONAL PROPERTY.

3-01-001-0001 WHOLESALE CONCERNS:-

~~A. Defined: "Wholesale sales" shall mean only such sales as are made to retail dealers for the purpose of resale in the original package or kind.~~

~~B. License Tax: There is hereby levied and shall be collected a license tax from the persons, natural or artificial, engaging in and carrying on a wholesale business herein specified within the corporate limits of the City, payable annually, in the following amounts:-~~

Auto accessories and parts	\$20.00
Grocers, confections and tobaccos	\$20.00
Fruits and vegetables (fresh)	\$20.00
Ice cream and frozen confections	\$20.00
Oil, gasoline and greases	\$20.00
Meats	\$20.00

- ~~3. Application of Tax: Where a business may be classified under more than one of the above designations, only the principal business shall be subject to license and tax.~~

3-01-001-0002 LICENSE REQUIRED:

A. A PERSON SHALL OBTAIN A BUSINESS LICENSE AND PAY AN ANNUAL LICENSE FEE PURSUANT TO THIS CHAPTER PRIOR TO ENGAGING IN ANY BUSINESS WITHIN THE CITY, UNLESS EXEMPTED UNDER SECTION 3-01-001-003 (EXEMPTIONS).

B. A SEPARATE BUSINESS LICENSE IS REQUIRED FOR EACH PERMANENT BUSINESS LOCATION. HOWEVER, A SINGLE BUSINESS LICENSE MAY BE ISSUED FOR UP TO FIVE (5) TEMPORARY BUSINESS LOCATIONS. ALSO, A SINGLE BUSINESS LICENSE MAY BE ISSUED TO A TRANSIENT MERCHANT, SUBJECT TO APPROVAL OF THE DATES, TIMES AND AREAS OF BUSINESS.

~~3-01-001-0002 LICENSE TAXES:-~~

~~There is hereby levied and shall be collected a license tax from the persons, natural or artificial, engaging in and carrying on any pursuit, business, trade, occupation or employment herein specified within the corporate limits of the City in the following amounts, payable annually, except as otherwise provided, in the following schedule:~~

Agent or canvasser, for every kind of merchandise except books and pictures	\$20.00
Abstract company	\$20.00
Accountants, public	\$20.00
Architecture	\$20.00
Assaying	\$20.00
Astrology	\$20.00
Attorneys (each individual)	\$20.00
Auctioneers	\$20.00
Banking, loan and discount	\$20.00
Barber shop	\$20.00
Beauty parlor	\$20.00
Bootblack stands, per chair	\$20.00
Book or picture agent or canvasser	\$20.00
Chiropractors	\$20.00
Circuses, carnivals or tent shows	-
Circus, menagerie or ring show for each exhibition or performance	\$50.00
Traveling tent show, not classified as circus	\$25.00
Each side show in connection with circus or tent show, for each performance	\$10.00
Other traveling show, public exhibition of amusement not shown in licenses theater, for which admission is charged, for each performance	\$15.00
Each merry-go-round, ferris wheel or other ride separate or in connection with carnival	\$5.00

~~Circuses, carnivals, tent shows and other shows mentioned in the above - provisions who shall show on grounds outside the City limits shall be assessed~~

Agent or canvasser, for every kind of merchandise except books and pictures	\$20.00
for all parades, bands, concerts or other methods used to attract attention to such show on the streets of the City, a license fee equivalent to the license fee which would have been charged and paid had such show been conducted within the corporate limits	
Coin-operated amusement devices, each	\$ 5.00
Collection agencies, not including attorneys at law	\$20.00
Commission merchants	\$20.00
Dentists	\$20.00
Engineers; public civil, electrical or mining	\$20.00
Fortune teller, palmist or clairvoyant	\$20.00
Laundry, steam	\$20.00
Other	\$20.00
Money lenders or finance company	\$20.00
Optometrists or opticians	\$20.00
Osteopaths	\$20.00
Pawnbrokers	\$20.00
Photographers, itinerant	\$20.00
Physicians and surgeons, other medical practitioners (each person)	\$20.00
Real Estate dealers and agents	\$20.00
Surveyors	\$20.00
Tailoring, cleaner or dyer	\$20.00

~~Telephone service providers: an annual license tax of two percent (2%) shall be paid on the gross proceeds of all sales of telephone services by any provider who uses any City right-of-way. Said license tax shall be paid to the City at the end of each quarter. Gross proceeds of all sales shall include business done exclusively within the City and the State of Arizona, and will exclude any business done to or from points outside the State and telephone services provided to all U.S. governmental units.~~

~~Any other business or occupation not specifically provided for in this Code shall pay an annual license fee of twenty dollars (\$20.00). All licenses provided in this Section shall be paid on a prorated basis if application for a new business is made by the licensee prior to June 30 of each year. For the purposes of such proration the tax provided shall be deemed to be a quarterly tax and the amount paid to be assessed for such application shall include the quarter in which the~~

~~application is made and all subsequent quarters to June 30 succeeding. Proration will not effect these businesses listed for day or monthly fees.~~

3-01-001-0003 LICENSE EXEMPTIONS:

A. THE FOLLOWING PERSONS SHALL NOT BE REQUIRED TO OBTAIN A BUSINESS LICENSE:

1. ANY PERSON DEFINED IN SECTION 3-05-002-0270 OF THE CITY CODE AS A FEDERALLY EXEMPT ORGANIZATION, GOVERNMENTAL ENTITY, PROPRIETARY CLUB OR PUBLIC EDUCATIONAL ENTITY;
2. ANY PERSON LICENSED UNDER CHAPTER 3-07 (SPECIAL LICENSES) OR 3-09 (CABLE) OF THE CITY CODE;
3. ANY PERSON WITH A VALID FRANCHISE AGREEMENT WITH THE CITY;
4. ANY PERSON LICENSED UNDER CHAPTER 3-08 (ADULT ORIENTED BUSINESSES);
5. SIDEWALK VENDOR WITH A PERMIT ISSUED UNDER SECTION 8-03-002-0004 (SIDEWALK VENDING CARTS);
6. ANY PERSON WITH A VALID SPECIAL EVENT PERMIT ISSUED UNDER CHAPTER 8-12 (SPECIAL EVENTS);
7. ANY PERSON WITH A VALID TEMPORARY USE PERMIT ISSUED UNDER SECTION 10-20.40.150 (TEMPORARY USE PERMITS);
8. A FAIR VENDOR AT A PRESCHEDULED FAIR, CONVENTION, CELEBRATION, PROMOTION OR OTHER PUBLIC GATHERING, WHERE THE ORGANIZER HAS OBTAINED A SPECIAL EVENT PERMIT ISSUED UNDER CHAPTER 8-12 (SPECIAL EVENTS) OR TEMPORARY USE PERMIT ISSUED UNDER SECTION 10-20.40.150 (TEMPORARY USE PERMITS).

B. IN ADDITION, THE FOLLOWING PERSONS SHALL NOT BE REQUIRED TO OBTAIN A BUSINESS LICENSE:

1. EMPLOYEES OF LICENSED BUSINESSES DELIVERING GOODS IN THE REGULAR COURSE OF BUSINESS;
2. A PERSON WHO ONLY ENGAGES IN A "CASUAL ACTIVITY OR SALE";
3. ANY PERSON LICENSED BY THE STATE PURSUANT TO TITLE 20 (INSURANCE), ARIZONA REVISED STATUTES;
4. DESIGNATED CAREGIVERS AS DEFINED IN A.R.S § 36-2801;

5. ANY PERSON WITH SALES OF FOOD PRODUCTS BY FOOD PRODUCERS AS PROVIDED FOR BY A.R.S. §§ 3-561, 3-562, AND 3-563;
6. ANY "OUT-OF-STATE BUSINESS RESPONDING TO A "DECLARED DISASTER" ON A "TEMPORARY BASIS" DURING A "DISASTER PERIOD" AT THE REQUEST OF A "REGISTERED BUSINESS" WITHIN ARIZONA TO PERFORM "DISASTER RECOVERY" OF "INFRASTRUCTURE" AS THOSE TERMS ARE DEFINED AND AS PROVIDED FOR BY A.R.S. §§ 32-4501, -4502. NOTHING HEREIN SHALL BE CONSTRUED TO WAIVE COMPLIANCE WITH CITY BUILDING AND SAFETY PERMITTING REQUIREMENTS, INCLUDING BUT NOT LIMITED TO TRAFFIC CONTROL PERMITS.
7. LIQUOR WHOLESALER LICENSED UNDER A.R.S. § 4-209;
8. RESIDENTIAL RENTAL PROPERTY REGISTERED WITH THE COCONINO COUNTY ASSESSOR'S OFFICE, PER A.R.S. § 9-1304;
9. OR ANY OTHER PERSON EXEMPTED BY STATE LAW FROM LOCAL BUSINESS LICENSING.

~~3-01-001-0003 LICENSE TAX COLLECTOR:-~~

~~The office of the Tax Collector of the City is hereby created, the Tax Collector to be appointed by the City Manager as other officers are appointed.~~

~~3-01-001-0004 COLLECTION OF LICENSE TAXES:-~~

~~All license taxes required by this Code shall be payable in advance to the Tax Collector in City Hall. Annual license taxes shall be due and payable on July 1 of each year. No demand shall be necessary therefor, but every person subject to pay a license shall attend the office of the Tax Collector and pay the same before engaging in any business or pursuit herein enumerated and shall keep such license conspicuously posted in his place of business.~~

~~3-01-001-0005 APPLICATION FOR LICENSE:-~~

~~Every person desiring a license to carry on any trade, business or occupation, shall make application therefor to the Tax Collector, which application shall state the business, trade or occupation for which said license is sought, the names of the persons interested in such business, trade or occupation, and the place or house where the same is to be carried on, which application shall be filed with the said Collector at or before the time of issuing such license, and no license shall be issued or granted until the amount required to be paid therefor shall have been paid to the Collector.~~

3-01-001-0004 LICENSE APPLICATION:

A. AN APPLICATION FOR A BUSINESS LICENSE SHALL BE MADE ON A FORM PRESCRIBED BY THE ADMINISTRATOR, WILL SPECIFY THE TIME FOR REVIEW, AND WILL INCLUDE THE FOLLOWING INFORMATION:

1. NAME OF BUSINESS, STATE WHERE INCORPORATED OR FORMED, AND ANY TRADE NAMES;
2. NAMES OF BUSINESS OWNERS, OFFICERS OR MEMBERS;
3. THE BUSINESS LOCATION WITHIN CITY, INCLUDING ADDRESS AND ZIP CODE;
4. A BRIEF DESCRIPTION OF THE NATURE OF THE BUSINESS AND THE GOODS/SERVICES TO BE SOLD;
5. CONTACT NAME AND TELEPHONE NUMBER;
6. LICENSE ELIGIBILITY FORM RELATED TO LAWFUL PRESENCE IN THE UNITED STATES (IF APPLICANT IS AN INDIVIDUAL);
7. A STATEMENT AS TO WHETHER OR NOT THE APPLICANT HAS BEEN CONVICTED OF ANY CRIME OTHER THAN A PETTY OFFENSE WITHIN THE PAST FIVE (5) YEARS, AND THE NATURE OF THE OFFENSE;
8. A HOME OCCUPATION PERMIT (IF APPLICABLE);
9. ANY OTHER INFORMATION DEEMED RELEVANT TO THE CITY.

B. APPLICANT FOR A BUSINESS LICENSE SHALL PAY THE BUSINESS LICENSE FEE SET BY SECTION 3-10-001-0008 (LICENSES) OF THE CITY CODE.

C. APPLICANT IS RESPONSIBLE FOR PROMPTLY UPDATING ANY CHANGES IN THE INFORMATION PROVIDED.

3-01-001-0005 TRANSIENT MERCHANTS - SUPPLEMENTARY INFORMATION:

A TRANSIENT MERCHANT SHALL OBTAIN A BUSINESS LICENSE UNDER THIS CHAPTER, UNLESS EXEMPT UNDER SECTION 3-01-001-0003 (EXEMPTIONS) AND SHALL SUBMIT THE FOLLOWING SUPPLEMENTARY INFORMATION AT LEAST ONE (1) BUSINESS DAY PRIOR TO ENGAGING IN SUCH BUSINESS:

1. THE SPECIFIC DAYS AND LOCATIONS WHERE BUSINESS ACTIVITIES WILL TAKE PLACE. TRANSIENT MERCHANTS WILL BE ISSUED SEPARATE APPROVALS FOR THE DATES, TIMES AND AREAS STATED FOR THEIR TRANSIENT MERCHANT ACTIVITIES. ANY APPROVAL WILL REFERENCE THE BUSINESS LICENSE NUMBER.
2. PHOTO IDENTIFICATION CARD OF BUSINESS LICENSE HOLDER.

3-01-001-0006 ~~TERM OF LICENSE:~~ LICENSE TERM; RENEWAL; PENALTIES:

~~Except as otherwise provided herein, no license shall be granted for a lesser nor a greater period of one year, and all annual licenses shall expire as of June 30 succeeding the date of issuance.~~

A. TERM. A BUSINESS LICENSE IS VALID FOR ONE YEAR, COMMENCING ON THE FIRST DAY OF THE MONTH DURING WHICH THE PERSON OPERATES.

B. RENEWAL. A BUSINESS LICENSE MUST BE RENEWED ON OR BEFORE THE EXPIRATION DATE.

C. FAILURE TO OBTAIN: ANY PERSON WHO OPERATES WITHOUT A BUSINESS LICENSE REQUIRED BY THIS CHAPTER SHALL PAY A FAILURE TO OBTAIN/RENEW PENALTY PLUS THE APPLICABLE LICENSE FEE FOR EACH YEAR OR PORTION OF A YEAR WHEREIN THE PERSON OPERATED WITHOUT A LICENSE. ALL LICENSE FEES AND PENALTIES, AS ESTABLISHED IN SECTION 3-10-001-0008 (LICENSE FEES) MUST BE PAID BEFORE A BUSINESS LICENSE IS ISSUED. FAILURE TO OBTAIN/RENEW A BUSINESS LICENSE WITHIN 30 DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM THE CITY CONCERNING LICENSING REQUIREMENTS IS A VIOLATION OF THIS CHAPTER AND THE CITY MAY TAKE ENFORCEMENT ACTION PURSUANT TO SECTION 3-01-001-0014 (ENFORCEMENT).

3-01-001-0007 TRANSFER OF LICENSES:

All licenses issued under the terms of this Chapter shall be nontransferable. ~~between owners or locations.~~ ANY CHANGE IN OWNERSHIP OR LOCATION REQUIRES A NEW LICENSE.

~~3-01-001-0008 LICENSES FOR DIFFERENT LOCATIONS:~~

~~If any person shall conduct any business, trade or occupation requiring a license at different locations within the City, each location shall be treated as a separate business for the purposes of this Chapter and such person shall take out a license for each place where such business is carried on.~~

3-03-001-0008 DISPLAY OF LICENSE

THE BUSINESS LICENSE SHALL BE DISPLAYED IN A PUBLICLY CONSPICUOUS PLACE AT THE LICENSED BUSINESS LOCATION. IF CONDUCTING TRANSIENT MERCHANT ACTIVITIES, A COPY OF THE APPROVAL REFERENCING THE BUSINESS LICENSE ALSO MUST BE KEPT ON HAND AND EXHIBITED UPON REQUEST OF THE CITY, A LAW ENFORCEMENT AUTHORITY, OR ANY CITIZEN.

3-03-001-0009 LOCATION RESTRICTIONS:

A. GENERAL. NO PERSON SHALL HAVE AN EXCLUSIVE RIGHT TO ANY LOCATION IN THE PUBLIC RIGHT-OF-WAY, NOR SHALL BE PERMITTED TO OPERATE IN ANY CONGESTED AREA WHERE HIS OPERATIONS MIGHT IMPEDE OR INCONVENIENCE THE PUBLIC. THE JUDGMENT OF THE CITY CODE ENFORCEMENT OFFICER OR A CITY POLICE OFFICER, EXERCISED IN GOOD FAITH, SHALL BE DEEMED CONCLUSIVE AS TO WHETHER THE AREA IS CONGESTED OR THE PUBLIC IMPEDED OR INCONVENIENCED.

B. SELLING IN PUBLIC PARKS AND ON CITY FACILITIES. NO PERSON SHALL SELL ANY TANGIBLE PERSONAL PROPERTY, INCLUDING BUT NOT LIMITED TO FOOD OR DRINK, FROM ANY VEHICLE, PUSH CART, STAND OR OTHER MOVABLE OR TEMPORARY CONTRIVANCE WITHIN ANY PUBLIC PARK OR CITY FACILITIES, SUBJECT TO THE FOLLOWING EXCEPTIONS:

1. A PERSON OPERATING WITHIN THE SCOPE OF A VALID SPECIAL EVENT PERMIT ISSUED BY THE CITY; OR,
2. A PERSON OPERATING WITHIN THE SCOPE OF A LICENSE, LEASE OR PERMIT APPROVED BY THE CITY.

C. SELLING FROM CITY SIDEWALKS. NO PERSON SHALL SELL ANY TANGIBLE PERSONAL PROPERTY, INCLUDING BUT NOT LIMITED TO FOOD OR DRINK, FROM ANY CITY SIDEWALK WITHOUT FIRST HAVING OBTAINED A PERMIT ISSUED UNDER SECTION 8-03-002-0004 (SIDEWALK VENDING CARTS).

D. SELLING FROM TEMPORARY LOCATION ON NON-CITY PROPERTY. NO PERSON SHALL SELL ANY TANGIBLE PERSONAL PROPERTY, INCLUDING BUT NOT LIMITED TO FOOD OR DRINK, FROM ANY TEMPORARY LOCATIONS WITHIN THE CITY WITHOUT FIRST HAVING OBTAINED A PERMIT ISSUED UNDER SECTION 10-20-40.150 (TEMPORARY USE PERMITS)

3-01-001-0010 SOLICITATION PROHIBITED:

IT SHALL BE UNLAWFUL FOR ANY PERSON IN THE COURSE OF BUSINESS TO RING THE DOORBELL OR KNOCK AT ANY BUILDING:

1. WHERE A SIGN BEARING THE WORDS "NO PEDDLERS", "NO SOLICITORS" OR SIMILAR WORDING IS POSTED FOR PUBLIC VIEW; OR
2. BEFORE 8:00 A.M. OR AFTER 8:00 P.M.

~~3-01-001-0009 REVOCATION OF LICENSE:~~

~~The Tax Collector shall be authorized to revoke the City license if the person licensed shall have violated the conditions under which the license shall have been issued, or whenever in the opinion of the Council it shall be deemed expedient to revoke such license, and from the time of said revocation of such license shall be utterly void and of no effect and the amount paid therefor shall be forfeited to the City.~~

~~3-01-001-0010 LICENSE REGISTER:~~

~~The Tax Collector shall keep a register in which he shall enter the names of each and every person licensed, the date of the license, the purpose for which granted, the amount paid therefor, and the date when the same shall expire. All money collected for licenses shall be paid over to~~

~~the Treasurer as soon as received by the Tax Collector, who shall take the Treasurer's receipt therefor.~~

3-01-001-0011 LICENSE DENIAL, REVOCATION, SUSPENSION:

A. IN GENERAL. LICENSES MAY BE DENIED OR REVOKED BY THE ADMINISTRATOR AFTER NOTICE AND HEARING FOR ANY OF THE FOLLOWING CAUSES:

1. FRAUD, MISREPRESENTATION OR FALSE STATEMENT CONTAINED IN THE APPLICATION;
2. FRAUD, MISREPRESENTATION OR FALSE STATEMENT IN THE COURSE OF BUSINESS;
3. FAILURE TO OBTAIN OR MAINTAIN ANY REQUIRED TEMPORARY USE PERMIT, TRANSACTION PRIVILEGE TAX LICENSE, OR OTHER REQUIRED PERMIT OR GOVERNMENTAL APPROVAL;
4. ANY VIOLATION OF THIS CHAPTER;
5. CONDUCTING BUSINESS IN AN UNLAWFUL MANNER AS TO CONSTITUTE A BREACH OF THE PEACE OR TO CONSTITUTE A MENACE TO THE HEALTH, SAFETY OR GENERAL WELFARE OF THE PUBLIC.
6. UPON LEGAL REVIEW OF THE APPLICATION CRIMINAL DISCLOSURE, IT IS DETERMINED THAT A DENIAL IS WARRANTED.

B. IMMEDIATE SUSPENSION. NOTWITHSTANDING THE PROVISIONS OF SUBSECTION A, THE ADMINISTRATOR MAY SUMMARILY SUSPEND THE LICENSE OF ANY PERSON CHARGED WITH AN OFFENSE RELATING TO THEFT, ASSAULT OR OTHER OFFENSE CONSTITUTING AN IMMINENT THREAT TO THE PUBLIC'S HEALTH, SAFETY OR WELFARE. FAILURE TO SUBMIT A WRITTEN APPLICATION FOR REINSTATEMENT OF A LICENSE SUMMARILY SUSPENDED HEREUNDER SHALL OPERATE AS A REVOCATION OF SUCH PERMIT.

3-01-001-0012 NOTICE OF HEARING AND APPEAL:

A. NOTICE OF DENIAL, REVOCATION AND SUSPENSION. NOTICE OF DENIAL, REVOCATION OR SUSPENSION OF A LICENSE ISSUED HEREUNDER SHALL BE GIVEN IN WRITING (IN PERSON, BY MAIL OR EMAIL AT THE LAST KNOWN ADDRESS PROVIDED TO THE ADMINISTRATOR) ALONG WITH THE SPECIFIC REASONS FOR SUCH ACTION.

1. NOTICE OF DENIAL SHALL BE PROVIDED WITHIN TEN (10) BUSINESS DAYS OF RECEIPT OF THE APPLICATION.

2. NOTICE OF REVOCATION SHALL BE PROVIDED AT LEAST TEN (10) BUSINESS DAYS BEFORE REVOCATION.
3. NOTICE OF SUSPENSION SHALL BE PROVIDED IMMEDIATELY.

B. APPEAL. ANY PERSON MAY APPEAL THE DENIAL, REVOCATION, OR SUSPENSION OF A LICENSE WITHIN TEN (10) BUSINESS DAYS FROM THE MAILING DATE OF THE NOTICE BY FILING AN APPEAL IN WRITING TO THE ADMINISTRATOR.

C. HEARING. A HEARING WILL BE SCHEDULED BY THE ADMINISTRATOR WITHIN TEN (10) BUSINESS DAYS TO TAKE PLACE NO LATER THAN FIFTEEN (15) DAYS FROM RECEIPT OF THE APPEAL OR A LATER TIME MUTUALLY AGREED TO IN WRITING BY BOTH PARTIES. NOTICE OF THE DATE, TIME AND PLACE OF THE HEARING WILL BE MAILED TO THE LICENSEE AT THE ADDRESS LAST PROVIDED TO THE ADMINISTRATOR AT LEAST FIVE (5) CALENDAR DAYS PRIOR TO THE HEARING DATE. THE HEARING WILL BE CONDUCTED BY THE TREASURER OR DESIGNEE ("HEARING OFFICER"), WHO SHALL ADMIT ALL TESTIMONY AND RELIABLE EVIDENCE WITHOUT REGARD TO FORMAL RULES OF EVIDENCE. THE LICENSEE/APPLICANT MAY APPEAR IN PERSON OR SEND A REPRESENTATIVE TO THE HEARING.

D. FINAL DECISION. WITHIN FIVE (5) BUSINESS DAYS FROM THE HEARING, THE HEARING OFFICER WILL ISSUE A WRITTEN DECISION ON THE APPEAL AND REASONS FOR SUCH DECISION. THE HEARING OFFICER'S DECISION MAY AFFIRM, REVERSE, OR MODIFY THE ADMINISTRATOR'S ACTION. NOTICE OF THIS DECISION WILL BE MAILED TO THE APPLICANT/LICENSEE AT THE ADDRESS LAST PROVIDED TO THE ADMINISTRATOR, AND A COPY WILL BE SENT TO THE ADMINISTRATOR. THE HEARING OFFICER'S DECISION IS FINAL.

~~3-01-001-0011 MISDEMEANOR DECLARED:~~

~~Any person, natural or artificial, engaging in the operations of any business for which a license is required by this Chapter without first having obtained such license, shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not less than one hundred dollars (\$100.00) nor more than three hundred dollars (\$300.00) for each offense, and shall also be compelled to pay the amount of the license chargeable against that business for the minimum period named in the Section of this Chapter covering that business; provided, however, that each day's operation of any said business or amusement without the license herein required shall constitute a separate offense.~~

3-01-001-0013 ENFORCEMENT:

A. AUTHORITY. ANY CITY CODE ENFORCEMENT OFFICER OR ANY STATE CERTIFIED PEACE OFFICER MAY ISSUE A WRITTEN WARNING OR CITATION FOR THE VIOLATION OF THIS CHAPTER.

B. SEPARATE OFFENSES. EACH VIOLATION PURSUANT TO THIS SECTION SHALL CONSTITUTE A SEPARATE OFFENSE AND EACH DAY A VIOLATION REMAINS UNABATED MAY CONSTITUTE A SEPARATE OFFENSE.

C. PENALTIES. ANY VIOLATION OF THIS CHAPTER IS PUNISHABLE AS A PETTY OFFENSE.

~~3-01-001-0012 EXEMPTIONS:~~

~~Designated Caregivers, as defined in A.R.S. § 36-2801, are exempt from the licensing requirements of this Chapter.~~

The Flagstaff City Code, Title 3 *Business Regulations*, Chapter 3-03, *Peddlers*, is hereby deleted in its entirety (deletions shown as stricken) **effective September 1, 2018** as the substantive provisions therein have been merged into Chapter 3-01, *General License Regulations*, or deemed no longer appropriate:

CHAPTER 3-03

PEDDLERS

SECTIONS:

- ~~3-03-001-0001 PERMIT REQUIRED:~~
- ~~3-03-001-0002 DEFINITIONS:~~
- ~~3-03-001-0003 APPLICATIONS:~~
- ~~3-03-001-0004 INVESTIGATION OF APPLICANT:~~
- ~~3-03-001-0005 DEPOSITS AND FEES:~~
- ~~3-03-001-0006 PERMIT TO BE POSTED:~~
- ~~3-03-001-0007 LOCATION RESTRICTIONS:~~
- ~~3-03-001-0008 UNDUE NOISES PROHIBITED:~~
- ~~3-03-001-0009 DUTY OF POLICE TO ENFORCE:~~
- ~~3-03-001-0010 TERM OF PERMITS:~~
- ~~3-03-001-0011 REVOCATION:~~
- ~~3-03-001-0012 NOTICE OF HEARING AND APPEAL:~~
- ~~3-03-001-0013 UNLAWFUL ACTS:~~
- ~~3-03-001-0014 EXCEPTIONS:~~

~~3-03-001-0001 PERMIT REQUIRED:~~

~~Except as may otherwise be provided herein, it shall be unlawful for any peddler, solicitor, or fair vendor, as the same are hereinafter defined, to engage in such business within the corporate limits of the City without first obtaining a permit therefor in compliance with the provisions of this Chapter.~~

~~3-03-001-0002 DEFINITIONS:~~

~~ADMINISTRATOR: The Sales Tax Administrator or his/her designee.~~

~~CASUAL SALES: Transactions which are isolated sales of goods or services by a person who is not engaged in business and does not represent himself as being in business.~~

~~CHARITABLE ORGANIZATION: A person or entity determined by the U.S. Internal Revenue Service to be a tax exempt organization qualifying as such under 501 (c) (3) of the U.S. Internal Revenue Code (26 U.S.C. 501 (c) (3)); or who is or holds him(it)self out as established exclusively for a charitable purpose, as defined herein.~~

~~CHARITABLE PURPOSE: A purpose described in 501 (c) (3) of the U.S. Internal Revenue Code (26 U.S.C. 501 (c) (3)); or a benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare or advocacy, public health, environmental conservation or civic purpose.~~

~~CITY: The City of Flagstaff, Arizona.~~

~~FAIR VENDOR: Any person who engages in a temporary business of displaying or selling any type of tangible personal property, and who occupies a stall, booth or other temporary structure on location in conjunction with, associated with or attendant to a prescheduled fair, convention, celebration, promotion or other public gathering, which prescheduled fair, convention, celebration, promotion or other public gathering which is not longer than fifteen (15) days in duration and of which the first public announcement is thirty (30) days or more prior to its commencement.~~

~~PEDDLER: A person who sells in the public right-of-way, or who travels from place to place selling any type of tangible personal property, including but not limited to food and drink.~~

~~PERMIT: A written warrant, license or other instrument issued by the City, granting permission or authority to engage in specific conduct not forbidden by law, but not allowed without such permission or authority.~~

~~SOLICITOR: Any person, other than a peddler, who goes uninvited from residence to residence or to only one residence within the City selling or offering to sell any type of service or any tangible personal property.~~

~~3-03-001-0003 APPLICATIONS:~~

~~A.—Applicants for permit under this Chapter shall file with the Administrator, a sworn application in writing, on a form to be furnished by the City, at least one day prior to the date of commencement of the activity for which the permit is sought.~~

~~B.—No application for a permit hereunder shall be accepted unless the applicant or his authorized employee or representative certifies in writing that he will request or accept no payment for goods or services before such goods or services have been provided or delivered.~~

~~C.—Each permit application shall include the following or be furnished with following information:~~

- ~~1.—Name and description of the applicant;~~
- ~~2.—Address (permanent and local);~~
- ~~3.—A brief description of the nature of the business and the goods and/or services to be sold;~~
- ~~4.—If the applicant is or will be acting for or on behalf of another, the name and address of the~~

employer or principal, together with credentials establishing the parties' exact relationship;

5. ~~The specific days and the location for which the privilege to do business is desired. If a fixed site is to be occupied, the exact address and the name of the owner of the property in question shall be furnished along with a copy of the lease or other agreement or permit authorizing the applicant's use of such site (which, for a proposed use of the public right of way, shall be the applicant's encroachment permit, where required);~~

6. ~~If a motor vehicle is to be used, a description of the same, the vehicle identification number, and a copy of the vehicle registration;~~

7. ~~A photograph which accurately depicts the applicant;~~

8. ~~A statement as to whether or not the applicant has been convicted of any crime, misdemeanor or violation of any municipal laws, the nature of the offense and the punishment or penalty assessed therefor;~~

9. ~~A statement as to whether or not the applicant intends to employ any signs advertising his merchandise. All applicants under this Chapter are subject to all other applicable provisions of the City Code, including but not limited to the provisions of Chapter 10-08, Division 001, which regulates the use of signs in the City, including use of banners, pennants and aerial displays and requires a sign permit for temporary signs;~~

10. ~~A fee of twenty five dollars (\$25.00) payable to the City;~~

D. ~~Each person issued a permit hereunder shall advise the Administrator in writing of any change in any of the information required by Subsection C hereof as soon as is practicable.~~

E. ~~No permit issued hereunder shall be transferable.~~

F. ~~Notwithstanding anything to the contrary contained herein, fair vendors shall not be required individually to obtain a permit hereunder, provided that the organizer or sponsor of the event at which the fair vendor conducts business obtains a permit for such event by submitting to the Administrator; (1) a permit fee of twenty-five (\$25.00) payable to the City; (2) the fees in lieu of sales tax set forth in Section 3-03-001-0005.B hereof; and, in writing, the name and address (permanent and local, if different) of such organizer or sponsor, and a list of all fair vendors who will sell at such event, indicating which, if any of such fair vendors hold a current City sales tax license. For all purposes of this Chapter other than this Section 3-03-001-0003 and Section 3-03-001-0005.B hereof, the fair vendors set forth in the list required of the sponsor or organization in the foregoing sentence shall be considered permittees hereunder. Notwithstanding the foregoing, no permit shall be required of the organizer or sponsor of any event organized and conducted by or for a religious or charitable purpose or organization, provided that the predominance of fair vendors selling thereat are either: Religious and/or charitable organizations; and/or engaged in making casual sales.~~

~~3-03-001-0004 INVESTIGATION OF APPLICANT:~~

~~Upon receipt of a permit application hereunder, the Administrator shall review the adequacy of the same. If the application is satisfactory, a permit shall be issued by the Administrator. The Administrator shall keep a full record in his office of all permits issued. Each permit shall contain the number of the permit, the date of its issue, the nature of the business authorized to be conducted, the amount of the permit fee paid, its expiration date, the place where the permit authorizes said business to be conducted under said permit and the name of the person or persons authorized to conduct the same.~~

~~3-03-001-0005 DEPOSITS AND FEES:~~

~~A.— Peddlers and Solicitors: Prior to and as a condition to being issued a permit hereunder, each peddler and solicitor whose sales are or will be subject to the City's transaction privilege (sales) tax imposed by City Code Chapter 3-05, Division 004 (Article IV of the City Tax Code) shall deposit with the Administrator a sum equal to twenty-five dollars (\$25.00) per day that the applicant plans to sell as a peddler and/or solicitor, but in no event more than two hundred dollars (\$200.00), as prepayment of such sales tax; said deposit shall be allowed as a credit against such sales tax ultimately found due and owing by such person, and any balance exceeding such amount due as sales tax shall, upon written request from the permittee accompanied by surrender of the permit issued hereunder, be refunded. Notwithstanding anything to the contrary contained herein, any permit issued under the provisions of this Chapter shall terminate upon the issuance of any refund of the deposit required by this Section, and no such refund shall be paid without surrender of such permit. The Administrator shall have the authority to waive, in his discretion, the deposit required by this Section with respect to any person who can demonstrate continuing, prompt payment of the City's sales tax during the immediately preceding two (2) year period.~~

~~B.— Fair Vendors: As a condition to being issued a permit hereunder, the sponsor or organizer of any event for which a permit is required under Section 3-03-001-0003 F. hereof each fair vendor shall pay to the City an amount equal to the product of: Fifteen dollars (\$15.00); multiplied by the number of fair vendors selling at such event (other than those holding a current City sales tax license); multiplied by the number of days during which sales will be made at such event. Said amount shall be considered in lieu of the transaction privilege tax imposed by Section 3-05-004-0017 of the City Code (3-5-460 of the City's Tax Code) with respect to sales made by fair vendors (other than those holding a current City sales tax license) selling at such event.~~

~~3-03-001-0006 PERMIT TO BE POSTED:~~

~~Each permittee hereunder who uses a vehicle in conjunction with his permitted business shall post his permit in a conspicuous place upon such vehicle. Each person otherwise doing business under a permit issued hereunder shall keep the permit upon his person and shall exhibit the same at any time upon request.~~

~~3-03-001-0007 LOCATION RESTRICTIONS:~~

~~A.— General. No peddler hereunder shall have any exclusive right to any location in the public right-of-way, nor shall be permitted any location within three hundred feet (300') of a public school ground, nor shall be permitted to operate in any congested area where his operations might impede or inconvenience the public. For the purpose of this Chapter, the judgment of a police officer, exercised in good faith, shall be deemed conclusive as to whether the area is congested or the public impeded or inconvenienced.~~

~~B.— Selling in Public Parks. Except as otherwise provided in this Subsection, no person shall sell any tangible personal property, including but not limited to food or drink, from any vehicle, pushcart, stand or other movable or temporary contrivance within any public park in this City. Notwithstanding the foregoing, the City may license one or more persons to sell food, beverage and/or other items in one or more public parks, upon such conditions as the City may prescribe:~~

~~In conjunction with a special event for which an encroachment permit has been approved by the City; through a competitive bid or proposal process, such license(s) to be awarded to such responsible person(s) whose bid(s) or proposal(s) offer the highest fee(s) or percentage(s) of revenue to the City; or, as authorized by the City's Parks and Recreation Director, upon application of a private group or organization meeting in a public park (at which no other vendor is then currently licensed) for authorization of a specific person or business to sell food and/or beverage to such group during a specified period at a specified location in such park.~~

~~**3-03-001-0008 — UNDUE NOISES PROHIBITED:**~~

~~No permittee nor any person acting on a permittee's behalf, shall shout, make any outcry, blow a horn, ring a bell or use any sound device, including any loudspeaker, public address or other sound amplifying system upon any of the streets, alleys, parks or other public places of the City or upon any private premises in the City where sound of sufficient volume is emitted or produced therefrom to be capable of being plainly heard upon the public thoroughfares for the purpose of attracting attention to the permittee's goods or business. This Section 3-03-001-0008 shall not apply to a reasonable and moderate bell, synthesized music or similar sound emitted from a motor vehicle in conjunction with sales therefrom of ice cream or other items with which such bell or other sound is traditionally associated.~~

~~**3-03-001-0009 — DUTY OF POLICE TO ENFORCE:**~~

~~It shall be the duty of the Police Department of the City to enforce this Chapter. The Chief of Police shall report to the Administrator all convictions for violation of this Chapter, and the Administrator shall maintain a record for each permit issued and record the reports of violations therein.~~

~~**3-03-001-0010 — TERM OF PERMITS:**~~

~~Each permit issued hereunder shall include in its provisions a clearly stated termination date, which shall in no event be later than five (5) years from the date on which such permit is issued.~~

~~**3-03-001-0011 — REVOCATION:**~~

~~A. General. Permits issued under the provisions of this Chapter may be revoked by the Administrator after notice and hearing for any of the following causes:~~

- ~~1. Fraud, misrepresentation or false statement contained in the application for permit;~~
- ~~2. Fraud, misrepresentation or false statement in the course of carrying on the permittee's business;~~
- ~~3. Any violation of this Chapter;~~
- ~~4. Conviction of any crime or misdemeanor involving moral turpitude;~~
- ~~5. Conducting business in an unlawful manner as to constitute a breach of the peace or to constitute a menace to the health, safety or general welfare of the public.~~

~~B. Immediate Suspension. Notwithstanding the provisions of Subsection A hereof or of Section 3-03-001-0012, the Administrator may summarily suspend the permit of any person charged with an offense relating to theft, assault or other offense constituting an imminent threat to the public's health, safety or welfare, or upon any of the grounds set forth in Paragraphs 2, 4 or 5 of Subsection~~

A hereof. Failure of a permittee to timely submit a written application for reinstatement of a permit summarily suspended hereunder shall operate as a revocation of such permit.

~~3-03-001-0012 NOTICE OF HEARING AND APPEAL:~~

A. ~~Notice of Revocation. Notice of the proposed revocation of a permit issued hereunder shall be given in writing, setting forth specifically the grounds of complaint and the time and place of a hearing to be held on such revocation. Such notice shall be mailed to the permittee at the address last provided to the Administrator at least five (5) working days prior to the date set for hearing.~~

B. ~~Application for Reinstatement. Any person whose permit has been summarily suspended pursuant to the provisions of Subsection B of Section 3-03-001-0012 hereof may, at any time within thirty (30) days of such suspension, apply in writing for reinstatement of such permit. The Administrator shall, within five (5) working days of the receipt of such written application for reinstatement, provide notice of a hearing on reinstatement, in the manner set forth in Subsection A hereof.~~

C. ~~Hearing. All hearings to which Subsections A and B hereof refer shall be conducted by the Administrator, who shall admit thereat all probative and reliable evidence without regard to formal rules of evidence. Such hearings shall be conducted informally with regard to procedure as well as testimony and other evidence. The permittee may be heard in person and/or by an authorized representative at such hearing.~~

D. ~~Any applicant or permittee aggrieved by any action of the Administrator hereunder, in denying an application for a permit or by his decision in any hearing held hereunder, shall have the right to appeal such action to the City Council, by filing with the City Council a written statement setting forth fully the grounds for the appeal, within fourteen (14) days following the mailing of notice of the action complained of. The Council shall set a time (not later than fourteen [14] days following the date that such appeal is filed with the Council) and place for a hearing on such appeal and shall cause a notice of such hearing to be mailed to the appellant no less than five (5) working days prior to the date set for such hearing.~~

~~3-03-001-0013 UNLAWFUL ACTS:~~

It shall be unlawful for any peddler or solicitor in the course of his business to ring the doorbell or knock at any building whereon a sign bearing the words "No Peddlers", "No Solicitors" or the like is posted or otherwise exposed to public view, or before 8:00 A.M. or after 8:00 P.M.

~~3-03-001-0014 EXCEPTIONS:~~

A. ~~General. The following activities are exempt from the requirements of this Chapter:~~

- ~~1. Casual sales.~~
- ~~2. Any person delivering, or selling subscriptions for delivery of, newspapers on a regular daily or weekly schedule.~~
- ~~3. Any solicitor selling or offering for sale goods or services, the sale of which is not subject to the transaction privilege tax imposed by City Code Chapter 3-05, Division 004 (Article IV of the City Tax Code).~~

~~B. Religious and Charitable Organizations: Notwithstanding anything to the contrary contained in this Chapter, any person may, for a charitable, religious or political purpose, or on behalf of any charitable, religious or political organization, entity, solicit donations of money or property and/or sell any item of literature or merchandise, provided that such person has first obtained a permit for such activity by filing with the Administrator a sworn statement including the following information:~~

- ~~1. Name and purpose of the cause or organization for or on behalf of which the activity is to be conducted;~~
- ~~2. Names and addresses of the officers and directors of the organization, if any;~~
- ~~3. The period during which solicitation is to be conducted;~~
- ~~4. A description of the solicitation or other activity to be conducted; and~~
- ~~5. Whether or not any commission, fees, wages or emoluments are to be paid in connection with such activity and the amount thereof.~~

~~Upon establishing that the requirements of this Subsection are satisfied, the Administrator shall, without charge, issue a permit for such activity to such person or organization. Any organization obtaining a permit under this Subsection shall furnish each of its members, employees, agents or representatives conducting activities described herein a copy of such permit and written credentials stating the name of the organization, name of agent and purpose of solicitation or other activity. The Administrator may revoke any permit issued under this Subsection in the manner, and upon any of the grounds, set forth in Section 3-03-001-0011 hereof. Notwithstanding anything to the contrary contained herein, no person or organization shall be subject to any penalty or forfeiture solely by reason of failing to obtain a permit to conduct any activity described in this Subsection for or on behalf of a bona fide charitable, religious or political organization or purpose.~~

The Flagstaff City Code, Title 3 *Business Regulations*, Chapter 3-10, *User Fees*, is amended **effective September 1, 2018** by amending the sections as shown below (additions shown in capitalized and/or underlined text, and deletions shown as stricken):

CHAPTER 3-10

USER FEES

3-10-001-0008 Tax, Licensing and Revenue LICENSE FEES:

.....
The user fees of the Tax, Licensing, and Revenue MANAGEMENT SERVICES Division shall be as follows:

Fee Type	Fee per Each
<u>BUSINESS LICENSE- ANNUAL</u>	<u>\$8</u>
<u>BUSINESS LICENSE – RENEWAL</u>	<u>\$8</u>
<u>BUSINESS LICENSE – PENALTY FAILURE TO OBTAIN/RENEW</u>	<u>50% OF FEE</u>
<u>TRANSIENT MERCHANT APPROVAL</u>	<u>\$0</u>
Sales tax license <u>TRANSACTION PRIVILEGE AND USE TAX LICENSE (SEE SECTION 3-05-003-0320)</u>	\$46
Occupational business license set up	\$20
Occupational business license review	\$20
Occupational business license — video games — set up	\$5 per machine per year
Occupational business license video games — renew	\$5 per machine per year
Occupational business license — circuses and carnivals — set up	\$5 — \$50
<u>COMMERCIAL</u> Ground transportation – <u>PER</u> taxi	\$38
<u>COMMERCIAL</u> Ground transportation – <u>PER</u> motor coach	\$38
<u>COMMERCIAL</u> Ground transportation – <u>ANNUAL</u> renew	\$8
Sex <u>ADULT</u> oriented business <u>(SEE SECTION 3-08-001-0006)</u>	\$386
Sex <u>ADULT</u> oriented business renew <u>(SEE SECTION 3-08-001-0006)</u>	\$386
Scavenger waste permit	\$24

The Flagstaff City Code, Title 3 *Business Regulations*, Chapter 3-05, *Privilege and Excise Taxes*, Section 3-05-003-0320 is amended **effective January 1, 2019** as shown below (deleted text shown as stricken, additions shown in capitalized, underlined text):

3-05-003-0320 LICENSE FEES; ANNUAL RENEWAL; RENEWAL FEES

A. The transaction privilege and use tax license shall be valid upon receipt of a nonrefundable license fee of EIGHTEEN DOLLARS (\$18.00) ~~forty-six dollars (\$46.00)~~, except for a license to engage in the business activity of residential or commercial real property rental, leasing, and licensing for use as separately identified in this section. The transaction privilege and use tax license shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of EIGHTEEN DOLLARS (\$18.00) ~~zero dollars (\$0.00)~~ for each license, subject to the limitations in A.R.S. Section 42-5005. Such annual renewal fee shall be due and payable on January 1st of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

B. The transaction privilege and use tax license to engage in the business activity of residential real property rental, leasing, and licensing for use shall be valid only upon receipt of a nonrefundable license fee of EIGHTEEN DOLLARS (\$18.00) ~~zero dollars (\$0.00)~~. The transaction privilege and use tax license shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of EIGHTEEN DOLLARS (\$18.00) ~~zero dollars (\$0.00)~~ for each license, subject to the limitations in A.R.S. Section 42-5005. Such fee shall be due and payable on January 1st of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

C. The transaction privilege and use tax license to engage in the business activity of commercial real property rental, leasing, and licensing for use shall be valid only upon receipt of a nonrefundable license fee of EIGHTEEN DOLLARS (\$36.00) ~~forty-six dollars (\$46.00)~~. The transaction privilege and use tax license shall be valid only for the calendar year in which it is issued unless renewed each year by filing the appropriate application for license renewal and paying an annual license renewal fee of EIGHTEEN DOLLARS (\$18.00) ~~zero dollars (\$0.00)~~ for each license, subject to the limitations in A.R.S. Section 42-5005. Such fee shall be due and payable on January 1st of each year and shall be considered delinquent if not paid and received on or before the last business day of January.

S:\Legal\Civil Matters\2015\2014\2014-080 Occupational Business License Code
Change\RES2018.27.BusinessLicenseRegulatoins.Exhibit 6-7-18.

ORDINANCE NO. 2018-22

AN ORDINANCE OF THE FLAGSTAFF CITY COUNCIL, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, *BUSINESS REGULATIONS*, CHAPTERS 3-01, 3-03, 3-05, AND 3-10, BY UPDATING BUSINESS LICENSING REGULATIONS TO OBTAIN A MORE COMPLETE PICTURE OF THE FLAGSTAFF BUSINESS COMMUNITY, SIMPLIFY LICENSING PROCEDURES, AND UPDATE LICENSING FEES; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City desires to update its business licensing requirements to obtain a more complete picture of the Flagstaff business community, simplify licensing procedures, and update licensing fees; and

WHEREAS, as of January 1, 2017 the Arizona Department of Revenue is responsible for administration of all local transaction privilege, use, and similar taxes covered under the Model City Tax Code, pursuant to A.R.S. § 42-6001 et seq, and is passing along administration costs to the City; and

WHEREAS, the City has posted notice of the proposed business and local transaction privilege tax licensing fee changes in conformance with A.R.S. § 9-499.15 et seq; and

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 3, *Business Regulations*, Chapter 3-01, *General License Regulations*, Chapter 3-03, *Peddlers*, Chapter 3-05, *Privilege and Excise Taxes*, Chapter 3-10, *User Fees*, are hereby amended by adoption of the amendments set forth in that document known as "The 2018 Business License Regulations," declared a public record by Resolution No. 2018-27 on file with the City Clerk, and made a part hereof as if fully set out in this ordinance.

SECTION 2. Penalties.

Any person convicted of a violation of this ordinance is guilty of a misdemeanor and shall be fined a sum not to exceed two thousand five hundred dollars (\$2,500.00) and may be sentenced to confinement in jail for a period not to exceed ninety (90) days for any one offense, all in accordance with the Flagstaff City Code Chapter 1-04. Any violation which is continuing in nature shall constitute a separate offense on each successive date the violation continues, unless otherwise provided.

SECTION 3. 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.

SECTION 4. 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 5. Effective Date.

This ordinance shall become effective 30 days after adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PROPOSED BUSINESS LICENSE UPDATES

<u>CURRENT</u> <i>Ch. 3-01 General License Regulations</i>	<u>PROPOSED</u> <i>Ch. 3-01 Business License Regulations</i>
<i>WHO NEEDS A LICENSE?</i> Any person engaged in one of 35 occupations or 5 wholesale businesses; each location Note: City historically issued a combined occupational business license/local transaction privilege tax (TPT) license. The City therefore had records of many businesses operating in the City. Since 1/1/2017 ADOR issues both the state and local TPT licenses and it has become more difficult to track businesses. City Code §§ 3-01-001-0001, -0002, -0008	<i>WHO NEEDS A LICENSE?</i> Any business location; Any transient merchant (see further discussion below) (See exemptions below) Note: Many businesses that currently only need a TPT license, now also will need a business license. Pros: Location-based licensing will help fire, building, zoning, and wastewater code compliance; help ensure transaction privilege tax (TPT) licensing; and help economic development. Licenses will be public records, except for home addresses and personal phone numbers. Pro: Hairdressers, accountants, attorneys, dentists, engineers will not need a license, if location is licensed. Proposed Code § 3-01-001-0002
<i>WHO IS EXEMPT?</i> Exemptions from occupational licensing <ul style="list-style-type: none"> Any occupation not listed Designated caregivers City Code § 3-01-001-0012	<i>WHO IS EXEMPT?</i> Exemptions from business licensing (per City) <ul style="list-style-type: none"> Federally exempt 501c organization Governmental entity Proprietary club Public educational entity Employees delivering goods Person who engages in casual sales, as defined in City Tax Code § 3-05-001-0100 Adult business licensed under City Code Ch. 3-08

	<ul style="list-style-type: none"> Utility company with City license or franchise issued under another chapter of City Code <p>Exemptions from business licensing (per State law)</p> <ul style="list-style-type: none"> Licensed under A.R.S. Title 20 <i>Insurance</i> Designated caregivers Producer selling food products (farmers) Business in town for temporary disaster response Liquor wholesaler Residential rental property registered with County <p>See possible additional exemptions for transient merchants, discussed below Proposed Code § 3-01-001-0003</p>
<i>WHAT IS ANNUAL LICENSE FEE?</i>	<i>WHAT IS ANNUAL LICENSE FEE?</i>
<p>\$20, prorated on quarterly basis</p> <p>Example: A license issued in March costs \$5, but business must pay \$20 for renewal on July 1. City Code § 3-01-001-0002</p>	<p>\$8 per year</p> <p>Example: A license issued in March costs \$8 and is renewed the following March. Proposed Code: § 3-10-001-0008</p>
<i>WHEN IS LICENSE RENEWED?</i>	<i>WHEN IS LICENSE RENEWED?</i>
<p>July 1</p> <p>Note: This causes an increased workload for City staff from May through August. City Code § 3-01-001-0006</p>	<p>Anniversary month</p> <p>Proposed Code § 3-01-001-0006</p>
<i>WHEN MAY LICENSE BE REVOKED?</i>	<i>WHEN MAY LICENSE BE REVOKED?</i>
<p>If conditions of license violated</p> <p>Note: Ch. 3-03 has procedures for revoking a peddlers and solicitors</p>	<p>If conditions of license violated; procedures</p>

permit, but there are no procedures for revoking a license under City Code § 3-01-001-0009	Pro: Promotes due process. Same due process for businesses and transient merchants. Proposed Code § 3-01-001-0012
<i>HOW IS LICENSE ENFORCED?</i>	<i>HOW IS LICENSE ENFORCED?</i>
Police enforcement. Failure to have a license is a misdemeanor, punishable by a fine of \$100 to \$300. Note: A class 3 misdemeanor per state law is also punishable by up to 30 days imprisonment. City Code § 3-01-001-0011	Code compliance or police enforcement. Failure to have a license is a petty offense. Note: A petty offense is punishable by a fine up to \$300, per A.R.S. § 13-802.D. Proposed Code § 3-01-001-0013

<u>CURRENT</u> Ch. 3-03 Peddlers	<u>PROPOSED</u> <u>Delete Ch. 3-03 Peddlers;</u> <u>move to Ch. 3-01 Business</u> <u>License Regulations</u>
<i>WHO NEEDS A PERMIT?</i>	<i>WHO NEEDS A LICENSE?</i>
Peddlers and solicitors must obtain a permit for specific dates, times and areas of operation. Permit fee \$25, up to 5 years. City Code § 3-03-001-0003	Transient merchant (defined to include peddler or solicitor) must have a business license; license for specific dates, times and areas of operation. No permit fee. Pros: Helps streamline code. Alternative: Keep separate licensing, Ch. 3-03 <i>Peddlers</i> . Proposed Code § 3-01-001-0001
<i>WHO IS EXEMPT?</i>	<i>WHO IS EXEMPT?</i>
Religious and charitable organizations Note: No business license required if not engaging in business activities. City Code §3-03-001-0003	1. If you qualify for a business license exemption; 2. Vendor at a special event where organizer has obtained special event permit issued

	<p>under Chapter 8-12 <i>Special Events</i></p> <p>Alternatives: Exempt these vendors?:</p> <ul style="list-style-type: none"> a. Vendor with a temporary use permit issued by Community Development (CD) under City Code § 10-20.40.150 (E.g. seasonal sales); b. Vendor with a sidewalk vendor cart issued CD under City Code Division 8-03-002 <i>Sidewalk Cafes, Sidewalk Vending Carts and other Permitted Encroachments.</i> <p>Note: City Parks and CD would need to collect and submit vendor information to Management Services in order to track TPT licensing. Proposed Code § 3-01-001-0001</p>
WHAT ARE APPLICATION REQUIREMENTS?	WHAT ARE APPLICATION REQUIREMENTS?
<p>Applicant info, photo id, days and location of operation, advertising signs, criminal history, what is being sold, employer info, motor vehicle info; plus deposit of \$25 per day, not to exceed \$200 as prepayment of local TPT</p> <p>Note: City no longer may collect local TPT. City Code § 3-03-001-0003</p>	<p>Applicant info, photo id, days and location of operation, what is being sold, criminal history past 5 years</p> <p>Pro: Simplifies licensing, complies with law, consistent with current criminal history checks.</p> <p>Proposed Code § § 3-01-001-0004, -0005</p>
MAY VENDORS AT A SPECIAL EVENT PAY A FEE IN LIEU OF LOCAL TPT?	MAY VENDORS AT A SPECIAL EVENT PAY A FEE IN LIEU OF LOCAL TPT?
<p>Yes. Under old law the organizer for a special event paid a sum equal to (\$15 x the number of fair vendors selling at such event) x (the number of days per event), in lieu of local TPT</p> <p>Note: The City no longer may collect local TPT or accept payments in lieu. City Code § 3-03-001-0005</p>	<p>No. All vendors must have a TPT license and pay TPT, if applicable.</p> <p>Pro: Complies with law.</p> <p>Note: Event organizer must submit list of vendors to City.</p>

<i>WHAT ARE RESTRICTIONS ON SOLICITATION?</i>	<i>WHAT ARE RESTRICTIONS ON SOLICITATION?</i>
<p>Peddlers and solicitor not allowed within 300' of public school. Allowed in parks per competitive process. Not allowed to impede traffic.</p> <p>Note: Mobile vendors sell food near high schools. City Code § 3-03-001-0007</p>	<p>Transient merchant will now be allowed near a public school, and in parks per a special event permit. Not allowed to impede traffic.</p> <p>Proposed Code § 3-01-001-0009</p>
<p>Peddlers and solicitors not allowed to cry out, blow horn, use loudspeaker, but ice cream trucks ok City Code § 3-03-001-0008</p>	<p>Deletes special noise restrictions</p> <p>Note: City noise ordinance, Ch. 6-08, <i>Noise Control</i>, prohibits amplified noise, with certain exceptions.</p>
<p>Peddlers and solicitors prohibited from solicitation where a “no solicitation” sign is posted, and from 8 pm to 8 am City Code § 3-03-001-0013</p>	<p>No solicitation where a “no solicitation” sign is posted, and no soliciting from 8 pm to 8 am</p> <p>Proposed Code § 3-01-001-0010</p>

FEES

<u>CURRENT</u> <i>Ch. 3-10 User Fees</i>	<u>PROPOSED</u> <i>Ch. 3-10 User Fees</i>
<p>Annual occupational license fee - \$20 City Code § 3-01-001-0006</p>	<p>Annual business license fee - \$8 Proposed Code §§ 3-01-001-0006</p>
<p>Penalty for late renewal - \$0 City Code § 3-01-001-0006</p>	<p>Penalty for late renewal – 50% of license fee Proposed Code §§ 3-01-001-0006, 3-10-001-0008</p>
<p>Local TPT/use tax license - \$46 one-time (duplicative reference, see below)</p>	<p>Local TPT/use tax license - \$38 \$36 annual (duplicative reference, see below)</p>

<u>CURRENT</u> <i>Ch. 3-05 Privilege and Excise Taxes</i>	<u>PROPOSED</u> <i>Ch. 3-05 Privilege and Excise Taxes</i>
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<p>Local TPT/use tax license - \$46 one-time City Code § 3-05-003-0320</p>	<p>Local TPT/use tax license - \$38 \$36 annual</p> <p>Note: This pays for costs of local tax administration being administered by Arizona Department of Revenue but charged to the City. Proposed Code § 3-05-003-0320</p>
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**NOTICE OF PROPOSED NEW OR INCREASED FEES
RELATED TO BUSINESS LICENSING**

The City of Flagstaff hereby gives notice pursuant to A.R.S. § 9-499.15 that it proposes to amend the City Code to adopt new or increased fees related to local business license and transaction privilege tax license fees.

The City Council will consider whether to amend the City Code to adopt new or increased fees at the following date and time and location:

**Tuesday, June 5, 2018 at 6:00 p.m.
City Council Chambers
211 W. Aspen Avenue
Flagstaff, Arizona 86001**

A first reading of an ordinance to approve the changes may occur on this date. A second reading of an ordinance to approve the changes may occur at the next public meeting of the City Council on Tuesday, June 19, 2018 at 6:00 p.m. in City Council Chambers.

The City Council may approve, disapprove, or modify the proposed fees at that time.

Please contact Sandy Corder, Revenue Director, (928) 213-2252 if you have any questions.

Submitted by: Sandy Corder

This notice is posted on the homepage of the City website on Friday, April 6, 2018. This notice has been distributed to other social media accounts and electronic communication tools of the City at least 60 days prior to June 5, 2018.

Posted and distributed by: Jessica Drum, Communications Manager (928) 213-2061.

Link:

Schedule of Proposed Fees and Written Report

City of Flagstaff

Fee schedule of Proposed New or Increased Fees Related to Business Licensing

License	Current Rate	Annual Fees Collected FY17	Proposed Rate	Annual Fees Projected
Occupational Business	\$20 per year	\$32,400	Eliminate	
Peddlers/Solicitors	\$20 per year	(Inc. in OB)	Eliminate	
Transaction Privilege Tax	\$46 1 x application	\$24,713	\$38/business/year	\$240,616
Business	N/A	N/A	\$8 per year	\$56,992
Total		\$57,113		\$297,608

The City of Flagstaff (City) currently requires an Occupational Business License (OBL) to engage in 35 types of occupations, and five (5) kinds of whole sale operations. Many businesses do not engage in taxable activities. For example, taxable income from services, such as certified public accounting, is generally not taxed. If a business is required to have a local transaction privilege tax ("TPT") license, they are not required to have an OBL. The City currently also has separate permitting regulations for peddlers and solicitors. This type of permit applies to any business going door to door.

City staff is proposing to require all business locations to be licensed, benefiting in more comprehensive business data, which the City is frequently requested to provide. The City's current OBL is \$20. This fee has not increased for at least 15 years. City staff is proposing to eliminate the OBL and replace it with a Business License (BL) at an annual fee of \$8. This new Business License would cover all business locations within the City of Flagstaff.

The City currently charges a one-time local TPT license fee of \$46, which is collected by Arizona Department of Revenue (ADOR). There currently is no renewal fee. City staff is proposing an annual renewal fee for the local TPT license, in the amount of \$38. These fees help pay City staff, as well as for the costs of local tax administration that are charged by ADOR to the City. Previously, TPT license holders were exempt from the Occupational Business License. With this change, all businesses with a location in Flagstaff will be required to have a Business License.

The FY 2018-19 budget anticipates that City will owe \$150,000 to ADOR for local tax administration and that staffing costs will be approximately \$148,600 for the associated services, totaling around \$298,600 per year for the City. City staff is proposing changes that may reduce paperwork, adopt exemptions from business licensing consistent with state law, and/or avoid duplicative licenses.

For questions, comments, or concerns, please contact Sandy Corder, Revenue Director at (928) 213-2252 or email scorder@flagtaffaz.gov

Business License Regulation

June 19, 2018





Business License Regulation

Presentation Highlights

- Overview
- 2nd Reading and Adoption
- Fee Discussion
- Next Steps



Business License Regulation

Overview

Resolution No. 2018-27

Ordinance No. 2018-22

- 1st Reading: June 5, 2018
- 2nd Reading and Adoption: June 19, 2018
- Resolution: Adopt Business License Regulation as Public Record



Business License Regulation

New ADOR Fee – June 6, 2018

- Notified June 6, 2018 new ADOR fee was higher than estimated:
 - Estimation \$150,000
 - New Fee: \$172,658
- Impact to Council Approved Fee
 - Cost increase of \$4 per License
 - Council direction of 50% cost recovery would be \$20



Business License Regulation

Fee Discussion – Estimated Fee Released June 6, 2018

With new ADOR Fee 6/6/2018						
Description	Revenue	Staff Cost	ADOR Cost	Variance	Recovery %	Cost/ License
Transaction Privilege Tax 6/5/2018	\$ 120,312	\$ 92,586	\$ 150,000	\$ 122,274	50%	\$ 18
Transaction Privilege Tax 6/6/2018	\$ 132,622	\$ 92,586	\$ 172,658	\$ 132,622	50%	\$ 20



Business License Regulation

Next Steps

Date		Step
June 19, 2018, 4:00 p.m.		2nd Reading and Adoption
Effective Dates		Step
September 1, 2018		Licensing Regulation
September 1, 2018		Business License fee for New Businesses
January 1, 2019		TPT License Fee
July 1, 2019		Business Licensing Fee for Current License Holders (Renewals)



Business License Regulation

Questions?

Sandy Corder, Revenue Director

scorder@flagstaffaz.gov

928-213-2252

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Charity Lee, Real Estate Manager
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Approval of Contract: Third Amendment to Commercial Lease by and between the City of Flagstaff and the Southside Community Association Inc., an Arizona non-profit corporation.

STAFF RECOMMENDED ACTION:

Approve the Third Amendment to Commercial Lease by and between the City of Flagstaff (Lessor) and the Southside Community Association Inc., an Arizona non-profit corporation (Lessee) for the use of the Murdoch Building at 203 E. Brannen Avenue, City of Flagstaff, Arizona.

Executive Summary:

The Murdoch Building is in an area of downtown Flagstaff known as the Southside. City is in the process of developing a Southside Neighborhood Plan (Plan). The City is asking the local community for their ideas and thoughts on potential future uses of the Murdoch Building. City staff will present potential future uses to the Murdoch Building to Council for consideration once the Plan has been completed. Staff is recommending an extension of the existing lease for two years with an option to extend for an additional year to allow the Southside Neighborhood Plan to be completed. This will help the City make sure any future long term use of the property will be consistent with the Plan.

Financial Impact:

The Base Rent will be reduced from \$599.32 per month to \$1.00 per year. In exchange for the reduction in rent, Lessee will serve as the Property Manager for the building and coordinate activities at the building. The City will be allowed to use the building for community meetings and events at no charge to the City. Lessee will pay for all utilities and general maintenance of the building. Also the reduced rent takes into consideration that the City will reserve the right to terminate the Lease upon at least 180 days written notice.

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Team Flagstaff Strategic Plan: Work in Partnership to Enhance a Safe and Livable Community

- Community Partnerships Through Civic Engagement and Participation

Has There Been Previous Council Decision on This:

No

Options and Alternatives:

1. Approve the Third Amendment as drafted.
2. Suggest changes to the Amendment.
3. Do not approve the Amendment and cancel the existing lease.

Background/History:

The City of Flagstaff acquired the “Murdoch Building” in 1967 from the Southern Union Gas Company. Prior to its use by the gas company, this site was the Dunbar Elementary School—Flagstaff’s segregated school for African Americans from 1926 to 1954.

In 1986 the original school building was removed as part of the realignment of Butler and Clay Avenue. The City rebuilt the facility and designated it the Murdoch Center after Dunbar school principal, Cleo Murdoch.

The City of Flagstaff and the Southside Community Association entered into a Commercial Lease on July 25, 2007 for the use of the Murdoch Building located at 203 E. Brannen Avenue, Flagstaff, Arizona 86001 as a community center for the City of Flagstaff residence and the southside neighborhood.

The Lease term was extended by a First Amendment dated June 11, 2012 for five years, and then extended by a Second Amendment dated August 21, 2017 for an additional year expiring July 31, 2018.

The City and Southside Community Association desire to extend the lease agreement for two years with an option for an additional year to allow for the Southside Neighborhood Plan to be completed which will guide Council on what the future uses of the Murdoch Building.

Key Considerations:

The Murdoch Center is the current home to the Southside Community Association. The Southside Community Association and The Murdoch Center serve the Southside neighborhood in Flagstaff, AZ. The Murdoch Center offers a large meeting hall for clubs, organizations, city/neighborhood meetings, as well as private parties. The Murdoch Center is an inter-generational and multicultural center reflecting the different cultures represented in the southside. The center's mission is to maintain the legacy and diverse cultural history of the southside neighborhood, through activities and events that build a sense of community.

Expanded Financial Considerations:

None

Community Benefits and Considerations:

Community center for the southside neighborhood and meeting space for the City of Flagstaff and additional organizations.

Community Involvement:

Staff will be holding community meetings during the Southside Neighborhood Plan to get feedback from the neighborhood on the Murdoch Building to present to Council for future considerations on uses for the facility.

Attachments: Third Amendment to Lease
 Murdoch presentation



City of Flagstaff

THIRD AMENDMENT to COMMERCIAL LEASE

This Third Amendment to Commercial Lease is entered into this ____ day of June 2018 by and between the City of Flagstaff, a municipal corporation of the State of Arizona ("Lessor"), and Southside Community Association, INC., an Arizona non-profit corporation ("Lessee").

RECITALS

- A. The parties entered into a Commercial Lease dated July 25, 2007 ("the Lease"), for the Murdoch Building, 203 E. Brannen Avenue, City of Flagstaff, Arizona;
- B. The Lease term was extended by a First Amendment dated June 11, 2012 for five years, and then extended by a Second Amendment dated August 21, 2017 for an additional year expiring July 31, 2018;
- C. Lessor is developing a Southside Neighborhood Plan and options for future use of the Murdoch Building;

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

The Lease is hereby amended (additions shown in capitalized text, deleted text shown as stricken):

Section 1.3 is amended as follows:

1.3. Term and Commencement Date. The Term of this Lease shall commence on August 1, 2007 ("Commencement Date") and shall end at midnight on-JULY 31, 2020, unless terminated earlier as provided in Section 7 ("Termination of Lease,") The parties may renew this lease for up to one (1) additional year upon written approval of Lessee and City Manager on behalf of Lessor.

Section 1.5 is amended as follows:

1.5 Base Rent. The Lessee shall pay the base monthly rent of \$599.32 ("Base Rent") through July 31, 2018. Commencing August 1, 2018, the monthly rent shall be \$1.00 per year.

Section 2 is amended by replacing Section 2.2 as follows:

~~2.2 Early Possession. If the Lessee occupies the Premises prior to the Commencement Date, then (i) such occupancy shall be subject to all provisions of this Lease, (ii) such occupancy shall not change the termination date and (iii) the Lessee shall pay rent for such occupancy.~~

2.2. Lessor Special Uses. Lessor reserves the right to use the premises for City meeting, Indigenous Circle of Flagstaff meeting and Police Department uses (collectively "Lessor Special Uses") free of charge. City meetings may include any city staff meeting, meeting of a public body, or a use approved by the Flagstaff City Manager.

Section 4.3.1 is added as follows:

4.3.1 Notice and Use of Licensed Contractors. Lessee shall promptly notify Craig Smith, Facilities Superintendent via phone (928) 213-2160 or e-mail craig.smith@flagstaffaz.gov of any proposed alterations, improvements, or additions. Lessee shall only use qualified contractors and/or

subcontractors licensed with the Arizona Registrar of Contractors to perform any work. If Lessee fails to obtain written consent of Lessor prior to making any alteration, improvement, or addition, Lessor may issue a stop work order and cause Lessee to pay the costs of restoration.

Section 5.2 is amended as follows:

5.2 Services to be Provided by Lessee. Lessee shall maintain, at its own expense all necessary or desired services for the Premises, including, but not limited to electricity, communication services, janitorial services, garbage disposal and snow removal. The Lessor is not obligated to supply or maintain any service or equipment to the Premises. The Lessee shall put, keep and maintain all portions of the Premises, including sidewalks, curbs and passageways adjoining the same in a clean and orderly condition, free of dirt, rubbish, snow, ice and obstructions.

(a) Lessor Special Uses. Lessee will manage Lessor special uses of the premises, including scheduling, setup, opening and closing the facility. Lessor special users will help clean up after an event, to include stacking chairs and trash removal.

Section 7.1 is amended as follows:

7.1 Events of Termination. The Lease shall terminate upon the occurrence of one or more of the following events: (i) By written agreement between the Lessor and Lessee; (ii) by the Lessor pursuant to this Lease; (iii) by the Lessee pursuant to this Lease; (iv) upon lapse of the Term of the Lease; (v) by reason of Sections 8.6 or 8.7 relating to destruction or condemnation of the Premises; or (vi) upon at least 180 days written notice to Lessee by Lessor for convenience.

Section 8.3.1, Prohibition Without Written Consent, is amended to add the last sentence as follows:

Lessee shall not sublet office space or parking spaces without Lessor's prior written consent. Lessor specifically agrees that Lessee may sublet five (5) parking spaces from November 1 to April 15 on a first come, first serve basis to neighborhood residents. For purposes of this section a sublease means a written fixed lease term versus a revocable license to use facilities.

Section 8.3.3, Assignment and Subletting to Flagstaff Cooperative Preschool, Inc. is hereby deleted.

All other terms of the Original Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment.

LESSOR
City of Flagstaff

Coral Evans, Mayor

LESSEE
Southside Community Association, INC.


Deborah A. Harris, President

City Clerk

City Attorney

Approved as to form:

S:\Legal\Civil Matters\2018\2018-021 RFP for Lease of
Murdoch Building\Third Amendment to Commercial
Lease (Southside) 5-25-18.docx

Lease Amendment Three Southside Community Association

Charity Lee-Real Estate Manager







Background

Southside Community Association Inc.- Lessee

- Property located at 203 E. Brannen Avenue.
- Building used for community events and education.
- Lease executed on July 25, 2007.
- Lease Expires July 31, 2018.



Amendment Three to Commercial Lease

- City Staff recommending extension of existing lease for two years with an option to extend for an additional year as temporary use.
- City is in the process of developing the Southside Neighborhood Plan to get community input on the best future use of the Murdoch Building.



Amendments

Section 1.3 Term and Commencement Date

- Extend term to July 31, 2020 with an option to extend for an additional 1 year.

Section 1.5 Base Rent

- Rent changed from \$599.32 per year to \$1 per year because the Lessee will be the Property Manager taking on additional responsibilities and City will obtain free use of the building.



Amendment



Section 2.2 Lessor Special Uses

- City shall use the building “free of charge” for City meetings, the Indigenous Circle of Flagstaff, Police Department uses and other meetings or uses approved by the City manager.

Section 4.3.1 Notice and Use of Licensed Contractors

- Lessee shall notify the City’s Facility Superintendent of any proposed alterations, additions or improvements and shall use only licensed contractors or subcontractors to perform work.



Amendment

Section 5.2 Services Provided by Lessee and Lessor Special Uses

- Lessee shall maintain at its own expense all necessary or desired services for the Premises.
- Lessee will manage Lessor special uses of the premises, including scheduling, setup, opening and closing the facility.

Section 7.1 Events of Termination

- City may terminate upon at least 180 days written notice to Lessee by Lessor for convenience.



Amendment

Section 2.3.1 Prohibition Without Written Consent

- Lessee shall not sublet office space or parking spaces without prior written consent.
- Lessor agrees that Lessee may sublet five (5) parking spaces from November 1st to April 15th to neighborhood residents.

Questions?



CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Tiffany Antol, Current Planning Manager
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Adoption of Ordinance No. 2018-21: An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 10, the City of Flagstaff Zoning Code, Chapter 10-20, Administration, Procedures, and Enforcement, Division 10-20.30, Common Procedures, Section 10-20.30.100, Final Decisions and Division 10-20.80, Procedures for Appeals, Section 10-20.80.030, Appeals of Permits and Other Approvals, providing for repeal of conflicting ordinances, severability, and establishing an effective date.

STAFF RECOMMENDED ACTION:

At the June 19, 2018 Council Meeting:

- 1) Read Ordinance No. 2018-21 by title only for the final time
- 2) City Clerk reads Ordinance No. 2018-21 by title only (if approved above)
- 3) Adopt Ordinance No. 2018-21

Executive Summary:

The City Council, in accordance with Section 10-20.50.030.B (Procedures) of the Zoning Code, has initiated a text amendment to change Conditional Use Permit approval authority from the Planning Commission to the City Council. The Commission voted (6-0) to recommend an alternative proposal for the Zoning Code text amendment for review and appeal of Conditional Use Permits.

The Planning Commission recommendation would grant any Council member the opportunity to request an additional review of a Conditional Use Permit within the ten (10) day appeal window. If a Council member requests a review, the item would be set for the next available council meeting. If a majority of the quorum present agrees to a review, the Conditional Use Permit will be set for a public hearing within 30 days. The Council review will be considered "de novo" which means starting from the beginning. Staff has prepared a draft Notice of Decision that would be used to inform the public and City Council of the Commission's decision on any Conditional Use Permit. The Notice of Decision would be prepared immediately following the Commission's decision on a Conditional Use Permit and would be posted to the City website and distributed to Council.

Financial Impact:

None

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Council Goals

None

Regional Plan

There are no Regional Plan Goals or Policies that specifically address or relate to the approval of Conditional Use Permits.

Strategic Plan

None

Has There Been Previous Council Decision on This:

A Future Agenda Item Request (FAIR) was heard by Council on January 16, 2018, in regards to Conditional Use Permit approval authority. This item was discussed by Council on February 6, 2018. Staff was directed to being the process of a Zoning Code Text Amendment to change the approval authority of Conditional Use Permits from the Planning Commission to City Council.

Options and Alternatives:

1. Approve Ordinance No. 2018-21 as proposed.
2. Approve Ordinance No. 2018-21 with conditions or modifications.
3. Do not approve Ordinance No. 2018-21.

Background/History:

Since the 2011 adoption of the Zoning Code, the following amendments have been reviewed by the Planning and Zoning Commission and adopted by the City Council:

1. **Division 10-20.50 (Amendments to the Zoning Code Text and the Zoning Map):** adopted on November 5, 2013, Ord. No. 2013-21. These amendments established a new process and procedure for zone changes.
2. **Section 10-50.100.080.E (Flagstaff Mall and Marketplace District):** adopted on November 5, 2013, Ord. No. 2013-22. These amendments allowed for the installation of a new monument sign for the Flagstaff Mall and Marketplace District.
3. **Division 10-50.100 (Sign Standards):** adopted on November 18, 2014, Ord. No. 2014-27. These amendments to the City's sign standards addressed concerns from the City Council and local residents with the complexity of the former sign standards, especially for building mounted signs, and for the proliferation of temporary signs within the City.
4. **Division 10-20.100 (Assurance of Performance for Construction):** adopted on March 4, 2015, Ord. No. 2015-01. These amendments updated the standards and procedures regarding assurances for construction.
5. **Section 10-40.30.050 (Industrial Uses) and Sections 10-80.20.060 (Definitions, "F.") and 10-80.20.200 (Definitions, "T."):** adopted on May 5, 2015, Ord. No. 2015-03. These amendments to the industrial zones, Table B, Allowed Uses, and in the definitions clarify that freight and trucking facilities are a permitted use in the RD (Research and Development) Zone.

6. Comprehensive suite of amendments adopted on February 16, 2016, Ord. No. 2016-07, 2016 comprising mostly minor clarifications and corrections, but also some significant amendments to Section 10-40.40.030 to allow single-family dwellings and duplexes by right in the CC Zone, Section 10-40.60.260 (Mixed Use) and 10-40.60.280 (Planned Residential Development), Section 10-50.80.080 (Parking Spaces, Parking Lot Design and Layout) and in Division 10-50.110 to add two new building types; apartment building and stacked triplex.

7. **Division 10-50.100 (Sign Standards):** adopted on June 21, 2016, Ord. No. 2016-22. These amendments reconciled the sign standards with the US Supreme Court's decision in the Reed v. Town of Gilbert.

8. Series of amendments adopted on April 4, 2017, Ord. No. 2017-10, including amendments to: Section 10-50.80.080.C (ADA Parking), clarifying the depth of an ADA parking space; Sections 10-40.60.030, 10-80.20.010 (ADU's) created a definition for Attached and Detached ADU's, created standards for the attachment, and clarified the required amenities; Sections 10-40.30, and 10-40.40, 10-50.80 and 10-80.20.160 (Places of Worship), created a definition and land use classification for places of worship, and permit the use in all zones; and Section 10-90.40.030 (Rural Floodplain Map), revised the rural floodplain map back to the boundaries of the 1991 map.

9. **Sections 10-40.40, 10-50.110, and 10-50.120 (Transect Code):** adopted on December 19, 2017, Ord. No. 2017-31. These amendments: clarified the allowed building types and allowed private frontage types within each Transect zone, including all alternate (N.2) zones and open (O) sub-zones; removed the residency requirement and established a minimum building separation requirement for the Live/Work building type; and, established a maximum façade plane width for the Commercial Block building type.

10. **Section 10-50.100.100 (Sign Districts of Special Designation):** adopted March 13, 2018, Ord. No. 2018-14. This amendment added the West University Drive Entrance District to the Sign Districts of Special Designation section to allow Northern Arizona University to place a monument entry sign on property not currently owned by the university.

Community Involvement:

Inform/Consult

In accordance with State statute and the Zoning Code, the work session and public hearing before the Planning Commission and the public hearing before the City Council were advertised in the Arizona Daily Sun on April 10, 2018, which is at least 15-days prior to the scheduled meeting dates.

As of this writing, staff has received one (1) email asking for additional information regarding the proposed amendment.

Expanded Options and Alternatives:

Findings

1. The proposed amendment is consistent with and conforms to the objectives and policies of the General Plan and any applicable specific plan; *The Regional Plan does not specifically address the processing or review of permit applications. The proposed amendments are not inconsistent with Regional Plan.*
2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience or welfare of the City; and *The proposed amendments are related to the review process for Conditional Use Permits and should not be detrimental to the public interest, health, safety, convenience or welfare of the City of Flagstaff.*
3. The proposed amendment is internally consistent with other applicable provisions of the Zoning

[illegible]

ORDINANCE NO. 2018-21

AN ORDINANCE OF THE FLAGSTAFF COUNCIL AMENDING THE FLAGSTAFF CITY CODE, TITLE 10, FLAGSTAFF ZONING CODE, CHAPTER 10-20, ADMINISTRATION, PROCEDURES, AND ENFORCEMENT, PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City Council has determined that amendments to Flagstaff City Code, Title 10, *Flagstaff Zoning Code*, Chapter 10-20, *Administration, Procedures, and Enforcement*, are necessary in order to clarify the roles and responsibilities of the Planning and Zoning Commission and City Council in regards to Conditional Use Permits; and

WHEREAS, the Planning and Zoning Commission at their public meeting on May 9, 2018, provided recommendations to City Council for approval of the proposed amendments; and

WHEREAS, the City Council finds that the City has complied with the statutory notice and meeting requirements.

ENACTMENTS:

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

Section 1. That Title 10, *Flagstaff Zoning Code*, Chapter 10-20, *Administration, Procedures, and Enforcement*, Division 10-20.30, *Common Procedures*, Section 10-20.30.100, *Final Decisions*, is hereby amended as follows:

DELETE existing Section 10-20.30.100.A.2:

A. Time of Decision

~~2. A final decision of the Planning Commission shall be deemed to be made 10 days following the Commission's action on a Conditional Use Permit.~~

RENUMBER existing Section 10-20.30.100.A.3:

A. Time of Decision

32. A final decision shall be deemed to have been made on the date of issuance of a Notice of Decision by the Zoning Code Administrator or Director.

Section 2. That Title 10, *Flagstaff Zoning Code*, Chapter 10-20, *Administration, Procedures, and Enforcement*, Division 10-20.80, *Procedures for Appeals*, Section 10.20.50.030 *Appeals of Permits and Other Approvals* is hereby amended as follows:

AMEND Section 10-20.80.030.F:**F.** Appeal of a Decision by the Planning Commission:

1. A decision of the Planning Commission on a Conditional Use Permit may be appealed to the Council by any person aggrieved by such decision PURSUANT TO SECTION 10-20.80.030.H.
2. THE CITY COUNCIL MAY ELECT TO REVIEW A DECISION OF THE PLANNING COMMISSION ON A CONDITIONAL USE PERMIT PURSUANT TO SECTION 10-20.80.030.G.

-23. A recommendation of the Planning Commission to the Council may not be appealed.

ADD Section 10-20.80.030.G:**G. CITY COUNCIL REVIEW OF CONDITIONAL USE PERMIT**

1. WITHIN TEN (10) CALENDAR DAYS OF THE DATE OF THE PLANNING COMMISSION'S DECISION, ANY COUNCILMEMBER MAY REQUEST OF THE CITY MANAGER THAT AN ACTION ITEM TO CONSIDER REVIEW OF THE DECISION BE BROUGHT BEFORE THE COUNCIL. UPON RECEIPT OF A REQUEST TO CONSIDER REVIEW, THE CITY MANAGER SHALL PLACE THE ITEM ON THE NEXT REGULAR OR SPECIAL COUNCIL MEETING AGENDA FOR CONSIDERATION. IF COUNCIL ELECTS TO REVIEW THE DECISION BY A MAJORITY VOTE OF A QUORUM OF THE CITY COUNCIL, THE PLANNING COMMISSION'S DECISION IS STAYED AND SUCH REVIEW WILL BE TREATED AS AN APPEAL UNDER THIS SECTION AND A HEARING AND DECISION MUST BE RENDERED BY CITY COUNCIL NO LATER THAN 30 CALENDAR DAYS FOLLOWING THE ELECTION TO REVIEW.
2. CITY COUNCIL REVIEWS THE DECISION OF THE PLANNING COMMISSION DE NOVO AND HAS THE AUTHORITY, AFTER A HEARING, TO AFFIRM, REVERSE, OR MODIFY CONDITIONS OF THE CONDITIONAL USE PERMIT. ONCE COUNCIL DECIDES TO REVIEW A DECISION OF THE PLANNING COMMISSION, ANY ACTION ON THE ASSOCIATED DEVELOPMENT IS SUSPENDED UNTIL THE APPEAL IS PROCESSED AND A FINAL DECISION IS RENDERED UNLESS OTHERWISE SPECIFIED IN THE ZONING CODE.

RELETTER existing Section 10-20.80.030.G, H, I, J and K:**~~G~~H.** Timing and Form of Appeal**~~H~~I.** Report and Scheduling of Hearing**~~I~~J.** Decision**~~J~~K.** Effective Date of Review Authority's Decision on an Appeal**~~K~~L.** Judicial Review

SECTION 3. 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.

SECTION 4. Severability.

That, if any section, subsection, sentence, clause, phrase or portion of this ordinance or any of the amendments adopted in this ordinance is for any reason held to be invalid, unconstitutional, or unenforceable by a decision of any court of competent jurisdiction, such decision shall not affect any of the remaining portions thereof.

SECTION 5. Effective Date.

This ordinance shall be effective thirty (30) days after adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



City of Flagstaff

Date

Applicant

Company

Address

City, State, Zip

RE: NOTICE OF DECISION – Conditional Use Permit No. PZ-

Dear (APPLICANT):

The Planning Commission, in accordance with Section 10-20.40.050 of the Flagstaff Zoning Code, has considered the request of (APPLICANT) for a Conditional Use Permit on the property at (ADDRESS & APN) in the (ZONING) Zoning District for a (PROPOSED USE) as provided in Section (ZONING CODE SECTION) of the City of Flagstaff Zoning Code.

The Planning Commission held a public hearing on (DATE) in regards to this Conditional Use Permit. The Commission found and determined that, based on the information provided in the staff report dated (DATE) (OR ALTERNATIVE FINDINGS) and at the public hearing, the facts exist as required by Section 10-20.40.050.F of the Zoning Code to justify granting the Conditional Use Permit.

Based upon the aforementioned findings, the Commission approved a Conditional Use Permit by a vote of (VOTE) for the use and location described above subject to the following conditions:

1. (CONDITIONS)

The above condition(s) is deemed by the Commission to be required to assure that the requested use will be compatible with neighboring uses and the growth and development of the area.

This action becomes final and effective ten (10) calendar days after the posting of this Notice of Decision on (DATE – 11th day after hearing) unless during these ten (10) days a written appeal to the City Clerk is filed or the City Council elects to review the application. Either appeal or City Council review shall stay the Conditional Use Permit until the City Council holds the required public hearing to consider the request.

Should you have any questions, comments, or concerns, please do not hesitate to contact me.

Sincerely;

(PLANNER), Planning Development Manager
City of Flagstaff, Current Planning Section
P. 928-213-(extension) F. 928-213-2089
(EMAIL)@flagstaffaz.gov

cc: Planning Director, City Clerk, City Council

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Charity Lee, Real Estate Manager
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Possible Adoption of Ordinance No. 2018-24: An ordinance of the Flagstaff City Council, authorizing the City Manager or his or her designees to acquire improved real property located at 2323 N. Walgreens Street and establishing an effective date; and approval of a **Purchase Contract** with Hilton Harris Real Estate as broker for the seller of the improved real property at 2323 N. Walgreens Street and subject to the contingencies described in the contract.

STAFF RECOMMENDED ACTION:

At the June 19, 2018 Council Meeting:

- 1) Read Ordinance No. 2018-24 by title only for the first time
- 2) City Clerk reads Ordinance No. 2018-24 by title only (if approved above)

At the July 3, 2018 Council Meeting:

- 3) Read Ordinance No. 2018-24 by title only for the final time
- 4) City Clerk reads Ordinance No. 2018-24 by title only (if approved above)
- 5) Adopt Ordinance No. 2018-24
- 6) Approve Purchase Contract

Executive Summary:

City staff is requesting Council approve acquisition of real property located at 2323 N. Walgreen Street for public uses. The real property includes an 8,623 square foot building. Staff submitted an offer to purchase the property and final sale is contingent on Council approval, appraisal, and inspections. The primary purpose is to provide Water Services staff with office space as well as other city programs.

Financial Impact:

\$1,125,000 purchase price
+ 3,500 appraisal fees
+ 2,000 inspection fees
+ closing costs, TBD.
\$1,135,500 estimated total acquisition cost.

The Water Service division has \$1.8 million budget in contingency as well as several projects they are now projecting to be under budget in FY2019 that they will utilize to cover this purchase. If other divisions use the building, they will need to allocate funds (pay for such use) to the Water Services division.

Policy Impact:

None.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:**Personnel**

-Attract and retain quality staff.

Invest in our People

- Ensure effective resources for employees.

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

1. Approve Ordinance 2018-24 and Purchase Contract.
2. Do not approve Ordinance 2018-24 and Purchase Contract, and provide direction to Staff.

Background/History:

An evaluation of City facilities which includes City Hall has been performed and it is determined that there is not enough office space available to house City Staff due to the demolition of the Cherry Building and White House to make way for the new Municipal Court House. Staff has been reviewing office space for rent and it was determined that purchasing verses renting is a better use of taxpayer money. With this purchase 2 to 3 departments may be able to share the building which will free up space at City Hall as well as alleviate the strain on parking in the downtown area.

The City staff looked at many potential properties for lease or purchase. This is the best property on the market that meets the City's needs.

The building was constructed in 1990 and believed to be in good condition. It is a total of 8,623 square feet and offers three separate office suites; a 3,522 square feet suite, a 1,993 square feet suite, a 2,077 square feet suite, a 1,031 square feet common area with kitchen, three bathrooms, two detached storage units and 46 parking spaces which include two American Disabilities Act (ADA) spaces. City staff anticipate that the building will accommodate 10 to 15 employees per suite, approximately 30 to 45 City employees will be able to relocate into the new building. It is anticipated that Water Services and Housing are the departments who will occupy the building, however Facilities is still evaluating which departments would be better suited at the new location.

This purchase will provide the necessary office space needed for City Staff due to the demolition of the Cherry Building and the White House building located at 101 W. Cherry Avenue which is anticipated to take place next spring to make room for the new Municipal Court House. The demolition takes 12,000 square feet of usable office space along with 42 parking spaces and displaces 39 City Staff. The purchase of the building at 2323 N. Walgreens Street won't solve all the office space needs but will alleviate the current demand and will give the City a long term permanent solution as well as an increased presence on the east side of Flagstaff.

The Purchase Contract is a standard commercial form and has been executed by the Seller. The purchase of the building is contingent on the following.

1. Council approval and adoption of Ordinance No. 2018-24 authorizing the purchase.

Attachments: Power Point
 Ord. 2018-24
 Purchase Contract
 Office Floor Plan
 Overview Map
 Street View Map

Property Acquisition 2323 N. Walgreens Street

Charity Lee-Real Estate Manager





Purpose

- Requesting Council approval of Ordinance 2018-24 and a Purchase Contract to acquire an office building located at 2323 N. Walgreen Street.

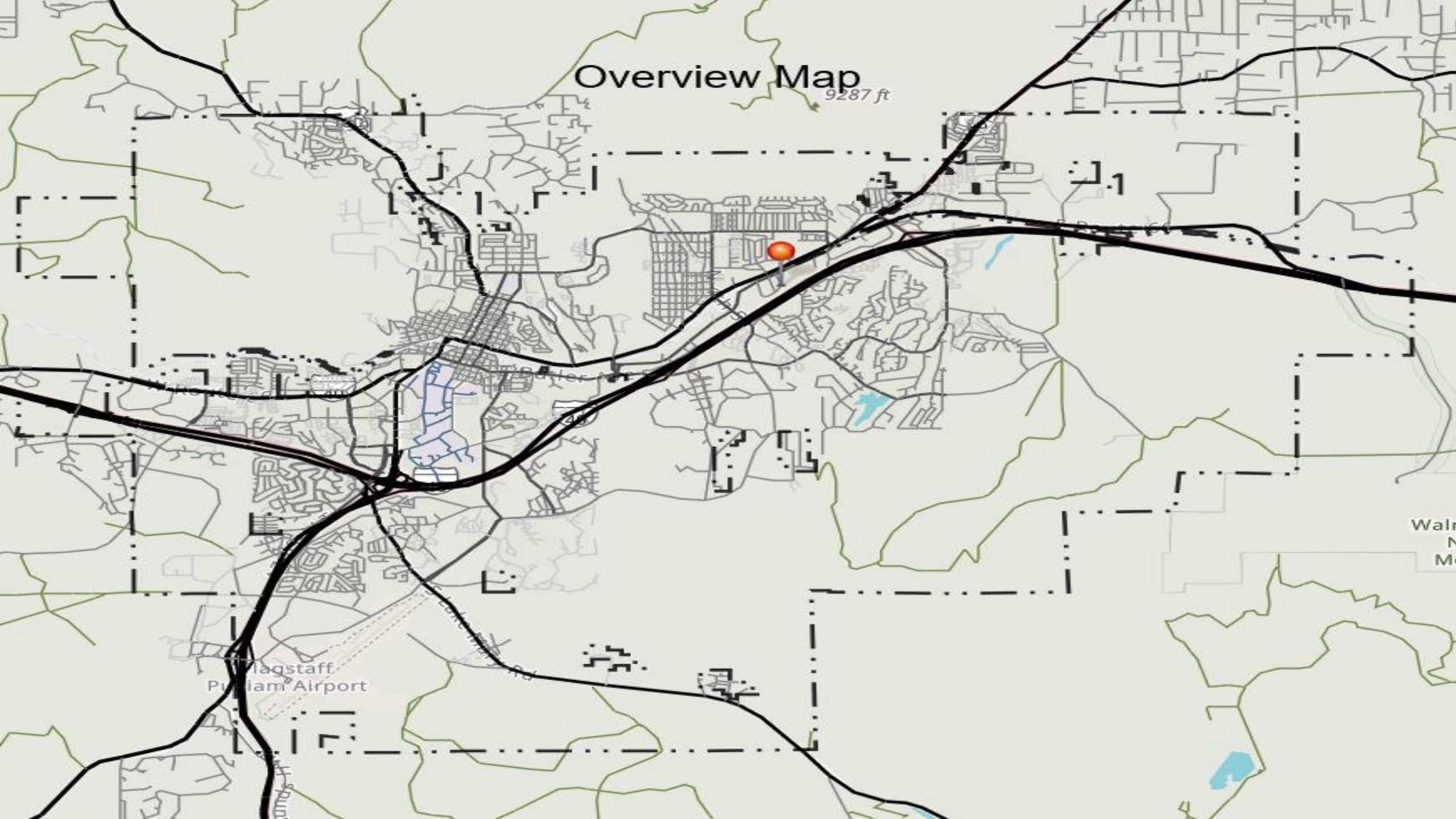


Purpose

- Provide office space for City Staff.
- City is planning to raze the old Cherry Building and the White House at 101 W. Cherry Avenue, so that a new Municipal Courthouse can be built on this site. The buildings being razed have 12,000 square feet of usable office space, and 42 parking spaces. Upon demolition next year, 39 City staff will need to be relocated.

Overview Map

9287 ft

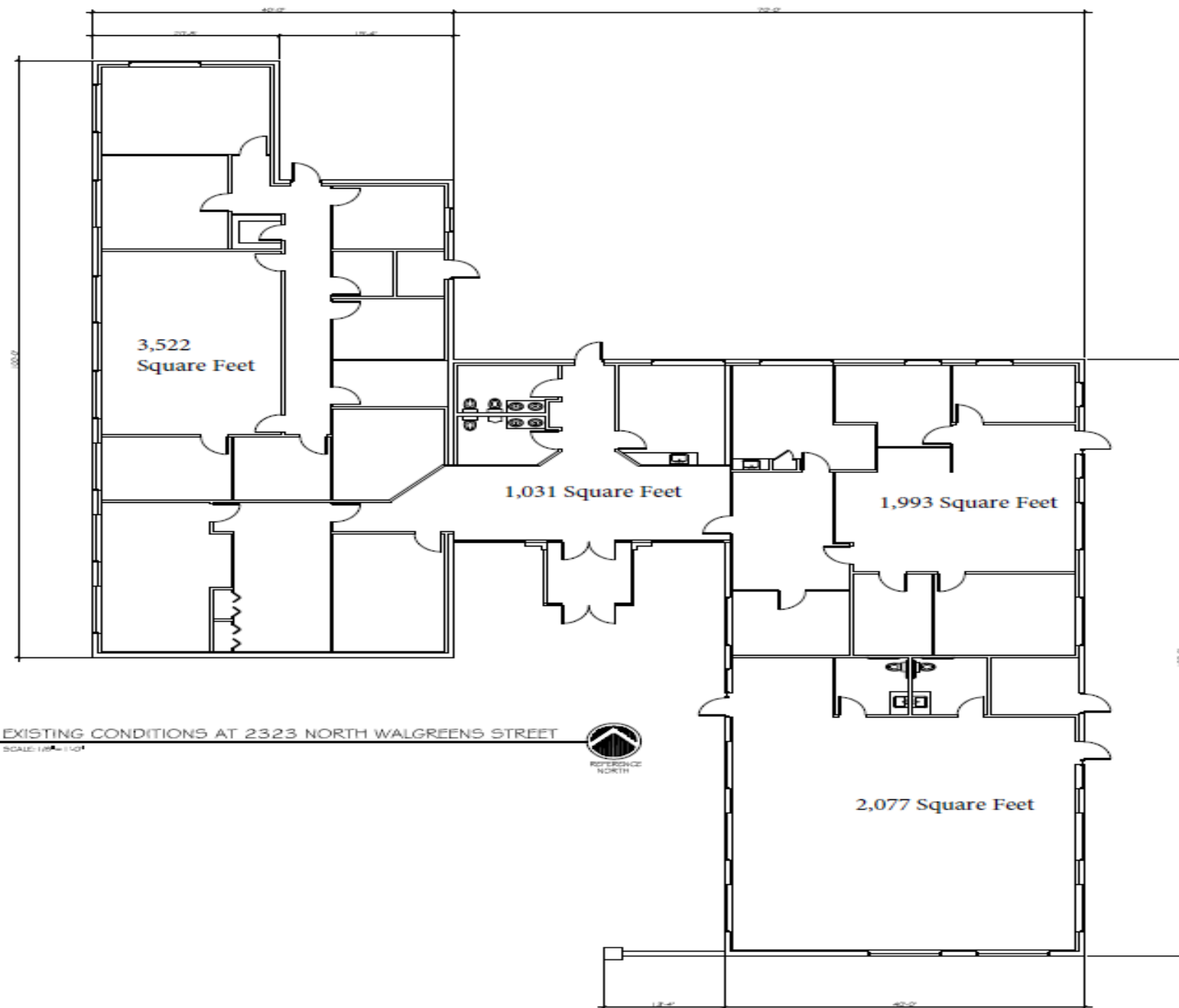


Flagstaff
Pulliam Airport

Walr
N
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Financial Impact

\$1, 125,000 Purchase Price

+ 3, 500 Appraisal fee

+ 2,000 Inspection fee

+ closing costs, TBD

\$ 1, 135,000 estimated total acquisition cost



Purchase Contract

The purchase of the building is contingent on the following.

1. Council approval and adoption of Ordinance No. 2018-24 authorizing the purchase.
2. Appraisal.
3. Inspections.



Additional Financial Considerations

- Estimated cost between \$380,000 and \$500,000 for building updates, carpet, paint, moving expenses and office partitions, etc.
- City has budgeted \$100,000 in FY 18 to Housing relocation, which funds may be used toward renovation costs.
- Closing date scheduled for August 15th. Estimating 30 to 60 days for renovation. Estimated move in date would be October-November of 2018.

Questions?



ORDINANCE NO. 2018-24

AN ORDINANCE OF THE FLAGSTAFF CITY COUNCIL, AUTHORIZING THE CITY MANAGER OR HIS OR HER DESIGNEES TO ACQUIRE IMPROVED REAL PROPERTY LOCATED AT 2323 N. WALGREENS STREET AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, pursuant to Article 1, Section 3 of the Flagstaff City Charter, the City has the power and authority to acquire real property for public buildings and other uses; and

WHEREAS, the City desires to acquire improved real property located at 2323 N. Walgreens Street in Flagstaff, Arizona for public building purposes, and the City has determined that the expenditure of funds for this property will not require voter approval pursuant to Article XVI, Amendment No. 2 of the Flagstaff City Charter;

ENACTMENTS

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

SECTION 1. The City Manager or his or her designees are hereby authorized to negotiate with the owners of the improved real property located at 2323 N. Walgreens Street through purchase, exchange, gift, donation, or dedication.

SECTION 2. The City Manager or his or her designees are hereby authorized to and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this ordinance.

SECTION 3. This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 3rd day of July, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

COMMERCIAL REAL ESTATE PURCHASE CONTRACT

 Document updated:
February 2016


The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



RECEIPT

1. Offer Received From: ("Buyer") City of Flagstaff
2. Agency Confirmation: Broker named on Line 18 is the agent of (check one):
3. ☐ the Buyer exclusively; or ☒ the Seller exclusively; or ☐ both the Buyer and Seller
4. Amount of Earnest Money: Ten Thousand \$ 10,000.00
5. All earnest money shall be deposited into a federally insured account acceptable to Buyer and Seller and any interest earned
6. thereon shall also be included as earnest money ("Earnest Money"). Buyer agrees that, if Buyer breaches this Contract, Earnest
7. Money is subject to forfeiture. If any check for Earnest Money is dishonored for any reason, Seller may, at Seller's option,
8. immediately cancel this Contract pursuant to lines 308-312. Unless otherwise provided herein, all Earnest Money is considered to be
9. part of the Purchase Price for the Property described below.
10. Earnest Money shall be: (check one)
11. ☒ Delivered by Buyer to Escrow Company upon mutual execution of this Contract.
12. ☐ Held by Broker until mutual execution. Upon mutual execution, Broker shall promptly deposit the Earnest Money with the Escrow
13. Company to which the check is payable. If the check is payable to Broker, Broker shall deposit the check in Broker's trust
14. account or endorse the check without recourse and deposit it with a duly licensed Escrow Company.
15. Form of Earnest Money: ☐ Personal Check ☐ Other:
16. Deposited with: ☐ Broker's Trust Account ☐ Escrow Company
17. Offer Received By: Hilton Harris 143593600 Hilton Harris 5/26/2018
(PRINT SALESPERSON'S NAME AND AGENT CODE) (SALESPERSON'S SIGNATURE) (MO/DA/YR)
18. Hilton Harris Real Estate 143593600
(PRINT NAME OF FIRM) (OFFICE CODE) (collectively "Broker")

PROPERTY AND PURCHASE PRICE

19. Property Description and Offer: Buyer agrees to purchase and Seller agrees to sell the following real property:
20. Property Address: 2323 N Walgreens St
21. City: Flagstaff County: Coconino AZ, Zip Code: 86004-6110
22. Assessors Parcel # 107-30-004
23. Legal description: Northwoods Business Centre Lot: 4 Sixteenth:
24. NW Quarter NE Section 13 Township 21 N. Range 07E
- 25.
26. which includes, at no additional cost to Buyer, all fixtures and improvements thereon, as well as the following items, if any, owned by
27. Seller and presently located on or in the real property: electrical distribution systems (power panels, ducting, conduits, disconnects),
28. lighting fixtures, computer wiring, telephone distribution systems (lines, jacks and connections), heating, ventilation and air conditioning
29. equipment, evaporative coolers, air lines, carpets, window coverings, wall coverings, security and fire detection systems/alarms, and
- 30.
- 31.
32. (collectively the "Property"). All fixtures and improvements shall be free of liens and encumbrances unless otherwise specified.
33. Leased Equipment NOT Included: NA
34. Personal Property Included: NA
35. Personal property shall be transferred in AS-IS CONDITION, FREE AND CLEAR OF ANY LIENS AND ENCUMBRANCES, and SELLER
36. MAKES NO WARRANTY of any kind, expressed or implied (including, without limitation, ANY WARRANTY OF MERCHANTABILITY).
37. Addenda Incorporated: ☐ Schedule of personal property ☐ Lead-Based Paint Disclosure ☒ Other Additional Terms
38. \$ 1,125,000.00 Full Purchase Price, paid as outlined below. Buyer acknowledges that failure to have funds deposited as
39. required to close escrow on the date specified herein shall constitute a material breach of Contract.
40. \$ 10,000.00 Earnest Money
41. \$ Additional Earnest Money
42. \$ 1,115,000.00 Cash due at closing
- 43.
- 44.

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45. **Escrow:** This Contract shall be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms of
46. this Contract shall be: Pioneer Title Mario Ruiz
(ESCROW COMPANY) (CONTACT PERSON)
47. 100 N. Elden Street, Flagstaff, AZ 86001 (928) 779-0371
(ADDRESS) (TELEPHONE)
48. (928) 213-3428 Mario.Ruiz@pioneeritl.com
(FAX) (E-MAIL)
49. **Opening of Escrow:** The term "Opening of Escrow" shall mean the date when a fully executed Contract and the Earnest Money
50. have been delivered to Escrow Company. Escrow Company shall immediately notify Buyer, Seller and Broker(s) in writing of the
51. date of the Opening of Escrow.
52. **Close of Escrow:** Seller and Buyer shall comply with all terms and conditions of this Contract and Close Escrow
53. August 15, 2018
54. but in no event later than 08/31/2018. Any other closing date requires the written mutual agreement of Seller and Buyer.
(MO/DA/YR)
55. Seller and Buyer hereby agree that the Close of Escrow shall be defined as recordation of the deed and any other documents
56. required to complete the transaction. The parties expressly agree that the failure of any party to comply with the terms and
57. conditions of this Contract by the scheduled Close of Escrow shall constitute a material breach of this Contract.
58. **Possession and Keys:** Possession and occupancy of the Property shall be delivered to Buyer at **Close of Escrow**,
59. or ☐ _____, subject to the rights of tenants under existing leases. Seller shall provide keys and/or means to operate
60. all locks, mailboxes, security system/alarms, access to all common area facilities and _____
61. _____

DUE DILIGENCE AND INSPECTIONS

62. **Due Diligence:** Buyer's due diligence and inspection period shall be ~~thirty (30) days~~ or ☐ _____ days after Opening of Escrow. *Btm*
63. ("Due Diligence Period"). During the Due Diligence Period, Buyer shall satisfy itself with respect to the physical condition of the
64. Property, the condition of title to the Property and as to the feasibility and suitability of the Property for Buyer's intended purpose.
65. REFER TO LINES 66-85 FOR IMPORTANT TERMS.
66. **Buyer Disapproval:** If prior to the expiration of the Due Diligence Period or as otherwise provided herein, Buyer, in Buyer's sole
67. discretion, disapproves of the Property, Buyer shall:
68. (a) immediately cancel this Contract pursuant to Lines 308-312 without further written consent of the parties, in which event all
69. Earnest Money shall be returned to Buyer; or
70. (b) deliver to the Seller written notice of the items disapproved and provide Seller an opportunity to correct the items.
71. If Buyer elects option (b), Seller shall respond in writing within five (5) days or ☐ _____ days after delivery to Seller
72. of Buyer's notice of items disapproved. If Seller is unwilling or unable to agree to correct any of the terms disapproved by
73. Buyer, including making any repairs in a workmanlike manner, Buyer may either:
74. (a) cancel this Contract within five (5) days after receipt of Seller's response or after expiration of the time period for
75. Seller's response, whichever occurs first, in which case all Earnest Money shall be returned to Buyer; or
76. (b) proceed with the transaction, in which case Seller is not obligated to correct those items Seller has not agreed to
77. correct in writing.
78. If Buyer cancels this Contract, Buyer shall return all documents provided by the Seller and provide Seller with copies of all reports or
79. studies generated by Buyer, provided, however, that Buyer shall not be required to deliver any such report or study if the written
80. contract that Buyer entered into with the consultant who prepared such report or study specifically forbids the dissemination of the
81. report or study to others.
82. **BUYER'S FAILURE TO GIVE WRITTEN NOTICE OF CANCELLATION OF THIS CONTRACT OR DISAPPROVAL OF ITEMS**
83. **WITHIN THE SPECIFIED TIME PERIODS SHALL CONCLUSIVELY BE DEEMED BUYER'S ELECTION TO PROCEED WITH**
84. **THE TRANSACTION WITHOUT CORRECTION OF ANY DISAPPROVED ITEMS THAT SELLER HAS NOT AGREED IN**
85. **WRITING TO CORRECT.**
86. **Inspections:** During the Due Diligence Period, Buyer shall have the right, at Buyer's expense, to select an inspector(s), and to
87. make economic, environmental and physical "inspections" (including tests, surveys, and other studies) of the Property, including but
88. not limited to square footage, wood infestation, roof, designated flood hazard areas, structural, plumbing (such as galvanized or
89. polybutylene pipes), sewer/septic, well, heating, air conditioning, electrical and mechanical systems, built-in appliances, soil,
90. foundation, pool/spa and related equipment, cost of compliance with swimming pool regulations, possible environmental hazards
91. (such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, methamphetamine, LSD, ecstasy,
92. hazardous waste, other substances, materials or products, and/or location in a federal or state Superfund area), water damage,
93. mold, conditions conducive to mold, geologic conditions, location of property lines, water/utility use restrictions and fees for services
94. such as garbage, water/utility or fire protection, sign usage, zoning regulations, variances, use permits, and compliance with
95. Americans with Disabilities Act. If the presence of sex offenders in the vicinity of the Property or the occurrence of a disease, natural
96. death, suicide, homicide or other crime on or in the vicinity of the Property is a material matter to the Buyer, it must be investigated
97. by the Buyer during the Due Diligence Period.
98. **Square Footage:** BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE (OR NET ACREAGE) OF THE
99. REAL PROPERTY (LAND) OR IMPROVEMENTS THEREON IS APPROXIMATE. IF SQUARE FOOTAGE (OR NET ACREAGE) IS
100. A MATERIAL MATTER TO THE BUYER, IT MUST BE VERIFIED BY BUYER DURING THE DUE DILIGENCE PERIOD.

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101. **Wood Infestation Inspection:** IF CURRENT OR PAST WOOD INFESTATION (SUCH AS TERMITES) IS A MATERIAL MATTER TO THE BUYER, IT MUST BE INVESTIGATED DURING THE DUE DILIGENCE PERIOD. If the lender requires an updated Wood Infestation Report, it shall be performed at Buyer's expense. If wood infestation is disclosed in any Wood Infestation Report, REFER TO LINES 66-85 FOR IMPORTANT TERMS.
105. **Flood Hazard:** If the Property is situated in an area identified as having any special flood hazards by any governmental entity including, but not limited to, being designated as a special flood hazard area by the Federal Emergency Management Agency (FEMA), the Buyer's lender may require the purchase of flood hazard insurance at the Close of Escrow or some future date. Special flood hazards may affect the ability to encumber or improve the Property now or at some future date. Flood hazard designation of the Property or cost of flood hazard insurance shall be determined by Buyer during the Due Diligence Period.
110. **Survey:** A survey ☒ shall be performed ☐ is waived by the Buyer.
111. If a survey is to be performed, Buyer shall have the survey completed by a licensed surveyor in accordance with the Arizona State Board of Technical Registration's "Arizona Land Boundary Survey Minimum Standards" and review the receipt of results of survey or map during the Due Diligence Period.
114. Cost of the survey shall be paid by: ☐ Seller ☒ Buyer ☐ Other: _____
115. Surveyor's instructions are: ☒ A boundary survey and survey plat showing the corners either verified or monumentation.
116. ☐ A survey certified by a licensed surveyor, acceptable to Buyer and the Title Company, in sufficient detail for issuance of an American Land Title Association ("ALTA") Owner's Policy of Title Insurance showing all boundary, encroachment or survey exceptions and all improvements, utility lines and easements on the Property or within five (5) feet thereof.
117. ☐ Other survey terms: _____
122. **Buyer's Responsibility Regarding Inspections:** Buyer shall keep the Property free and clear of liens, shall indemnify and hold Seller harmless from all liability, claims, demands, damages, and costs and shall repair all damages arising from the inspections.
124. **Final Walkthrough:** The Seller grants Buyer and any representative of Buyer reasonable access to conduct a final walkthrough of the Property for the purpose of satisfying Buyer that any repairs agreed to by the Seller have been completed and, further, that the Property is in substantially the same condition as on the date of the mutual execution of the Contract. Seller shall make the Property available for the final walkthrough. If Buyer does not conduct such walkthrough, Buyer specifically releases Seller and Broker(s) of any liability.
128. **Seller's Responsibility Regarding Inspections and Final Walkthrough:** Seller shall make the Property available for all inspections during the Due Diligence Period and final walkthrough. Seller understands that the inspections and final walkthrough require that all utilities be on and the Seller is responsible for providing same at Seller's expense.
131. **Sanitation and Waste Disposal Systems:** Buyer is aware and Seller warrants that the Property is on a:
132. ☒ sewer system ☐ septic system ☐ alternative system
133. **Seller's Obligations Regarding On-Site Wastewater Treatment Facility (conventional septic or alternative system)**
134. ("Facility"): If such a Facility has been installed on the Property, Seller shall deliver to Buyer copies of Facility permits and any other Facility documents of record within five (5) days after Opening of Escrow. During Due Diligence Period, any Facility on the Property shall be inspected as required by law at: ☐ Buyer's expense ☐ Seller's expense by an inspector recognized by the applicable governmental authority. Seller shall deliver to Escrow Company, at Seller's expense, any certification and/or documentation required. Escrow Company is instructed to file any transfer form(s) with applicable county authority. Buyer shall pay any Facility transfer fees.
140. **Seller's Obligations Regarding Wells:** If any well is located on the Property, Seller shall deliver to Escrow Company, before Close of Escrow, a copy of the Arizona Department of Water Resources ("ADWR") "Registration of Existing Wells." Escrow Company is hereby instructed to send to the ADWR a "Change of Well Information." Seller does not warrant the gallons per minute as reflected on the ADWR certification of registration. Buyer may verify gallons per minute during Due Diligence Period through a certified flow test.
144. **Changes During Escrow:** Seller shall immediately notify Buyer in writing: (i) of any changes in the disclosures made herein, in the Seller Property Disclosure Statement, or otherwise; (ii) if Seller modifies any existing lease or other agreement affecting the Property; or (iii) if Seller enters into any new leases, rental agreements, service contracts or other agreements affecting the Property. Buyer shall be allowed five (5) days after receipt of such notice to provide written notice to Seller of any items disapproved. REFER TO LINES 66-85 FOR IMPORTANT TERMS.

DISCLOSURES

148. **Seller Property Disclosure Statement ("SPDS"):**
149. (a) ☒ Buyer has received, read, and approved the SPDS.
150. (b) ☐ Buyer waives review and approval of the SPDS. (BUYER'S INITIALS REQUIRED TO WAIVE SPDS _____)
151. (c) ☐ Seller shall deliver the SPDS to Buyer within five (5) days after Opening of Escrow.

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152. **Additional Seller Disclosures and Information:** Seller shall provide to Buyer the following disclosures and information pertinent to the Property
153. in writing within five (5) days or _____ days after Opening of Escrow: (1) any information known to Seller that may adversely affect the
154. Buyer's use of the Property, (2) any known pending special assessments, association fees, claims, or litigation, (3) copies of covenants, conditions,
155. and restrictions, articles of incorporation; by-laws; other governing documents; and any other documents required by law, (4) financial statements,
156. copies of current rent rolls, lists of current deposits, personal property lists, copies of leases, rental agreements, service contracts, (5) a copy of the
157. most recent survey, if available, and (6) any and all other agreements, documents, studies, or reports relating to the Property in Seller's possession
158. or control provided, however, that Seller shall not be required to deliver any report or study if the written contract that Seller entered into with the
159. consultant who prepared such report or study specifically forbids the dissemination of the report to others. The Buyer shall provide written
160. notice to Seller prior to the expiration of the Due Diligence Period of any items disapproved. REFER TO LINES 66-85 FOR IMPORTANT TERMS.
161. Seller shall deliver all original documents and estoppel certificates executed by all tenants to Buyer at Close of Escrow.
162. **No Seller or Tenant Bankruptcy, Probate or Insolvency Proceedings.** Seller has no notice or knowledge that any tenant on the
163. Property is the subject of a bankruptcy, probate or insolvency proceeding. Further, Seller is not the subject of a bankruptcy,
164. insolvency or probate proceeding.
165. **Seller's Notice of Violations:** Seller represents that Seller has no knowledge of any notice of violations of City, County, State, or
166. Federal building, zoning, fire, or health laws, codes, statutes, ordinances, regulations, or rules filed or issued regarding the Property.
167. If Seller receives notice of violations of any of the aforementioned prior to Close of Escrow, Seller shall immediately notify Buyer
168. in writing. Buyer shall have five (5) days after receipt of such notice to provide written notice to Seller of any items disapproved.
169. REFER TO LINES 66-85 FOR IMPORTANT TERMS.

DISCLOSURES FOR PROPERTY USED FOR RESIDENTIAL PURPOSES

170. (If Property is not used for residential purposes, GO TO LINE 194.)
171. **Notice to Buyer of Swimming Pool Barrier Regulations (Initials Required):** The State of Arizona has swimming pool barrier regulations
172. that are outlined in the Arizona Department of Health Services Private Pool Safety Notice. The county or municipality in which the Property is
173. located may have different swimming pool barrier regulations than the state. During the Due Diligence Period, Buyer agrees to investigate all
174. applicable state, county, and municipal swimming pool barrier regulations and, unless disapproved prior to the expiration of the Due Diligence
175. Period, agrees to comply with and pay all costs of compliance with said regulations. BUYER'S INITIALS ACKNOWLEDGE 1) EXISTENCE OF
176. SWIMMING POOL BARRIER REGULATIONS and 2) If this Property contains a swimming pool, RECEIPT OF THE ARIZONA DEPARTMENT
177. OF HEALTH SERVICES APPROVED PRIVATE POOL SAFETY NOTICE AS REQUIRED BY A.R.S. §36-1681 (E).
178. (BUYER'S INITIALS REQUIRED)
- | | |
|-------|-------|
| BUYER | BUYER |
|-------|-------|
179. **Lead-Based Paint Disclosure (Initials Required):** If the Property was built prior to 1978, Seller shall: (1) notify the Buyer of any
180. known lead-based paint or lead-based paint hazards in or on the Property; (2) provide the Buyer with any lead-based paint risk
181. assessments or inspections of the Property in the Seller's possession; (3) provide the Buyer with the Disclosure of Information on
182. Lead-based Paint and Lead-Based Paint Hazards, and any reports, records, pamphlets, and/or other materials referenced therein,
183. including the pamphlet "Protect Your Family from Lead in Your Home" (collectively "Lead-Based Paint Information").
184. ☐ Lead-Based Paint Information was provided prior to Contract acceptance and Buyer acknowledges the opportunity to conduct
185. lead based paint risk assessments or inspections during Due Diligence Period.
186. ☐ Seller shall provide the Lead-Based Paint Information to Buyer within five (5) days after Opening of Escrow. Buyer may within ten
187. (10) days or ☐ N/A days after receipt of the Lead-Based Paint Information conduct or obtain a risk assessment or inspection
188. of the Property for the presence of lead-based paint or lead based-paint hazards ("Assessment Period"). Buyer may within five (5)
189. days after receipt of the Lead-Based Paint Information or five (5) days after expiration of the Assessment Period cancel this Contract
190. in Buyer's sole discretion by delivering written notice of cancellation to Seller Pursuant to Lines 308-312.
191. **Prior to 1978: If Property was constructed prior to 1978, BUYER'S INITIALS REQUIRED**
- | | |
|-------|-------|
| BUYER | BUYER |
|-------|-------|
192. **1978 or Later: If Property was constructed in 1978 or later, BUYER'S INITIALS REQUIRED**
- | | |
|-------|-------|
| BUYER | BUYER |
|-------|-------|
193. IF THIS IS AN ALL CASH SALE, GO TO LINE 208.

FINANCING

194. (If financing is to be other than new financing, see attached addendum.)
195. This sale ☐ is ☒ is not contingent upon Buyer obtaining a satisfactory financing commitment within Financing
196. **Commitment Contingency Period.** (If sale is not contingent on a financing commitment, go to line 209.)
197. **Financing Commitment Contingency Period:** If the sale is contingent upon Buyer obtaining a satisfactory financing commitment, Buyer
198. shall have thirty (30) days or ☐ N/A days after the Opening of Escrow ("Financing Commitment Contingency Period") to
199. obtain a financing commitment satisfactory to Buyer in Buyer's sole discretion, for a loan to purchase the Property or Buyer may cancel
200. this Contract pursuant to Lines 308-312 and receive a refund of the Earnest Money. **PRIOR TO THE EXPIRATION OF THE FINANCING**
201. **COMMITMENT CONTINGENCY PERIOD, BUYER SHALL DELIVER TO SELLER AND ESCROW COMPANY WRITTEN NOTICE**
202. **THAT BUYER HAS NOT RECEIVED SUCH SATISFACTORY FINANCING COMMITMENT OR BUYER SHALL BE DEEMED TO**
203. **HAVE WAIVED THE FINANCING COMMITMENT CONTINGENCY AND ANY RIGHT TO CANCEL DUE TO FINANCING.**
204. **Financing Application:** Within ten (10) days after the Opening of Escrow, Buyer shall submit a formal loan application to a lender
205. of Buyer's choice. Buyer and Seller shall promptly provide to such lender all materials and documents lender deems appropriate to
206. facilitate such lender's processing of such loan application. Buyer agrees to pay such fees as required by the lender and all other
207. financing costs. Buyer authorizes the lender to provide financing status updates to Broker(s).

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TITLE AND ESCROW

208. **Title and Vesting:** Taking title may have significant legal, estate planning and tax consequences. Buyer should obtain legal and tax advice.
209. and tax advice.
210. Buyer will take title as determined before Close of Escrow or ☐ Other: _____
211. **Title Commitment and Title Insurance:** Buyer shall be provided at Seller's expense a Standard Owner's Title Insurance Policy showing the title vested in Buyer as provided in Line 210. Buyer may acquire extended coverage(s) at Buyer's own additional expense.
212. Escrow Company is hereby instructed to obtain and distribute to Buyer and Broker(s) a Commitment for Title Insurance in sufficient detail for the issuance of an Extended Owner's Title Insurance Policy together with complete and legible copies of all documents that will remain as exceptions to Buyer's policy of title insurance ("Title Commitment"), within fifteen (15) days after Opening of Escrow.
213. Buyer shall have until the expiration of the Due Diligence Period to provide written notice to Seller of any items disapproved. Buyer shall have five (5) days after receipt of any amendments to Title Commitment or notice of any subsequent exceptions to provide Seller written notice of any amendment or exceptions disapproved. REFER TO LINES 66-85 FOR IMPORTANT TERMS.
214. Seller shall convey title by special warranty deed or ☒ **General Warranty Deed** deed.
215. **Additional Instructions:** (a) If the Escrow Company is also acting as the title agency but is not the title insurer issuing the title insurance policy, the Buyer and Seller hereby instruct the Escrow Company to deliver to the Buyer and Seller upon Opening of Escrow a closing protection letter from the title insurer indemnifying the Buyer and Seller for any losses due to fraudulent acts or breach of escrow instructions by the Escrow Company. (b) All documents necessary to close this transaction shall be executed promptly by Seller and Buyer in the standard form used by Escrow Company. Escrow Company is hereby instructed to modify such documents to the extent necessary to be consistent with this Contract. (c) All closing and escrow costs, unless otherwise stated herein, shall be allocated equally between Seller and Buyer in accordance with local custom and applicable laws and regulations. (d) Escrow Company is hereby instructed to send to Broker(s) copies of all notices and communications directed to or from Seller or Buyer. Escrow Company shall provide Broker(s) with access to escrowed materials and information regarding the escrow.
216. **Prorations, Expenses and Adjustments:**
217. **Taxes:** Real property taxes payable by the Seller shall be prorated through Close of Escrow, based upon the latest tax bill available. The parties agree that any discrepancy between the latest tax bill available and the actual tax bill when received shall be handled as a Post Closing Matter and Buyer or Seller may be responsible for additional tax payments to each other.
218. **Insurance:** If Buyer takes an assignment of the existing casualty and/or liability insurance that is maintained by Seller, the current premium shall be prorated through Close of Escrow.
219. **Rents, Interest and Expenses:** Rents; interest on existing notes, if transferred; utilities; and operating expenses shall be prorated through Close of Escrow. The Parties agree to adjust any rents received after Close of Escrow as a Post-Closing Matter.
220. **Deposits:** All deposits held by Seller pursuant to rent/lease agreement(s) shall be credited against the cash required of Buyer at Close of Escrow or ☐ paid to Buyer by Seller at Close of Escrow.
221. **Post Closing Matters:** The parties shall promptly adjust any item to be prorated that is not determined or determinable at Close of Escrow as a Post Closing Matter by appropriate cash payment to the other party outside of the escrow when the amount due is determined. Seller and Buyer agree that Escrow Company and Broker(s) are relieved of any responsibilities for said adjustments.
222. **Insurance:** Buyer shall insure that any fire, casualty, or other insurance desired by Buyer, or required by any Lender, is in place at Close of Escrow. Buyer specifically releases Broker(s) from any obligations relating to such insurance.
223. **Assessments:** The amount of any assessment that is a lien as of the Close of Escrow, shall be: ☒ paid in full by Seller ☐ prorated and assumed by Buyer ☐ paid in full by Buyer.
224. Any assessment that becomes a lien after Close of Escrow is the Buyer's responsibility.
225. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA). Buyer acknowledges that if the Seller is a foreign person, the Buyer (or Escrow Company, as directed by Buyer) must withhold a tax of up to 15% of the purchase price, unless an exemption applies.
226. **RESPA:** The Real Estate Settlement Procedures Act (RESPA) requires that no Seller of property that will be purchased with the assistance of a federally-related mortgage financing shall require, directly or indirectly, as a condition of selling the property, that title insurance covering the property be purchased by the Buyer from any particular title company.
227. **TAX DEFERRED EXCHANGE:** Seller and Buyer are advised to consult a professional tax advisor regarding the advisability of a tax-deferred exchange pursuant to I.R.C. §1031 or otherwise. Seller and Buyer agree to cooperate in a tax deferred exchange provided that Close of Escrow is not delayed. All additional costs in connection with any such tax deferred exchange shall be borne by the party requesting the exchange. The non-requesting party and Broker(s) shall be indemnified and held harmless from any liability that may arise from participation in the tax deferred exchange.

WARRANTIES

228. **Seller Warranties:** Seller warrants and shall maintain and/or repair the Property so that, at the earlier of possession of the Property or Close of Escrow, all heating, cooling, mechanical, plumbing, and electrical systems (including swimming pool and/or spa, motors, filter systems, cleaning systems, and heater, if any), and built-in appliances will be in working condition or as otherwise agreed in this Contract. Seller also warrants that, at the earlier of possession of the Property or Close of Escrow, the Property shall be in substantially the same condition as on the date of the mutual execution of the Contract.
229. **Buyer Warranties:** Buyer warrants that Buyer has disclosed to Seller any information that may materially and adversely affect the Buyer's ability to close escrow or complete the obligations of this Contract. At the earlier of the removal of all contingencies, possession of the Property or Close of Escrow, (a) Buyer warrants to Seller that Buyer has conducted all desired independent investigations and accepts the Property and (b) Buyer acknowledges that there will be no Seller warranty of any kind, except as stated in Lines 259-263. >>

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268. **Warranties that Survive Closing:** Prior to the Close of Escrow, Seller warrants that payment in full will have been made for all
 269. rental and/or privilege taxes, labor, professional services, materials, machinery, fixtures, or tools furnished within the 150 days
 270. immediately preceding the Close of Escrow in connection with the construction, alteration, or repair of any structure on or
 271. improvement made to the Property. Seller warrants that the information on Lines 131-139 regarding connection to a public sewer
 272. system, septic tank or other sanitation system is correct to Seller's knowledge. Seller warrants that Seller has disclosed to Buyer
 273. and Broker(s) all material latent defects and any information concerning the Property known to Seller, which materially and
 274. adversely affect the consideration to be paid by Buyer.

REMEDIES

275. **Remedies:** The parties agree to the remedies for breach of Contract indicated below.

276. If Buyer is in breach: (check one)

277. ☐ All Rights and Remedies: Seller may cancel this Contract pursuant to Lines 308-312 and/or proceed upon any claim or
 278. remedy that the Seller may have in law or equity.
 279. ☒ Liquidated Damages: The parties agree that it would be impracticable or extremely difficult to fix the actual damages that
 280. Seller would suffer if Buyer fails to perform Buyer's obligations pursuant to this Contract. Therefore, if Buyer breaches this
 281. Contract, Seller shall be entitled to the Earnest Money as Seller's sole remedy and Buyer shall be released from any further
 282. liability to Seller. In such event, this Contract shall be cancelled and Seller shall pay any Escrow Company cancellation fees.

(INITIALS REQUIRED)

284. If Seller is in breach:

285. All Rights and Remedies: Buyer may cancel this Contract pursuant to Lines 308-312, shall be entitled to the return of the
 286. Earnest Money and/or proceed upon any claim or remedy that the Buyer may have in law or equity.

287. **Mediation:** Buyer and Seller agree to mediate any dispute or claim arising out of or relating to this Contract, any alleged breach of
 288. this Contract, or services provided in relation to this Contract, claims for Earnest Money or representations made by the Buyer or
 289. Seller in connection with the sale, purchase, financing, condition, or other aspect of the Property to which this Contract pertains,
 290. including, without limitation, allegations of concealment, misrepresentation, negligence and/or fraud before resorting to court action.
 291. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and
 292. confidentially. Mediators cannot impose binding decisions. The parties must agree and sign an agreement before any settlement
 293. reached at the mediation is binding. Mediation shall take place in the State of Arizona. All mediation costs shall be paid equally by
 294. the parties to the Contract.

295. **Exclusions from Mediation:** The following matters are excluded from mediation hereunder: (a) any action brought in the Small
 296. Claims Division of an Arizona Justice Court (up to \$3,500), so long as the matter is not thereafter transferred or removed from the
 297. Small Claims Division; (b) judicial or nonjudicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or
 298. agreement for sale; (c) an unlawful entry or detainer action; (d) the filing or enforcement of a mechanic's lien; or (e) any matter that
 299. is within the jurisdiction of a probate or bankruptcy court. The filing of a judicial action to enable the recording of a notice of pending
 300. action, or order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of the obligation to
 301. mediate under this provision, nor shall it constitute a breach of the duty to mediate.

302. **Attorneys Fees and Costs:** If Buyer or Seller files suit against the other to enforce any provision of this Contract or for damages
 303. sustained by reason of its breach, all parties prevailing in such action, on trial and appeal, shall receive their reasonable attorney's
 304. fees and costs as awarded by the court. In addition, both Seller and Buyer agree to indemnify and hold harmless all-Brokers-against
 305. all costs and expenses that any Broker may incur or sustain in connection with any lawsuit arising from this Contract and will pay the
 306. same on demand unless the court grants judgment in such action against the party to be indemnified. Costs shall include, without
 307. limitation, reasonable attorney's fees, expert witness fees, fees paid to investigators, and court costs.

308. **Cancellation:** Any party who wishes to cancel this Contract as provided herein or because of any material breach by another party,
 309. and who is not in material breach except as occasioned by a material breach by the other party, may cancel this Contract by
 310. delivering written notice of cancellation to either the breaching party or to the Escrow Company stating the basis for cancellation or
 311. nature of the breach. Cancellation shall become effective immediately upon delivery of the written notice of cancellation to either the
 312. breaching party or Escrow Company.

313. **Release of Earnest Money:** In the event of a dispute between Buyer and Seller regarding Earnest Money deposited with Escrow
 314. Company, Buyer and Seller authorize Escrow Company to release Earnest Money pursuant to the terms and conditions of this
 315. Contract. Buyer and Seller specifically authorize Escrow Company to act in its sole and absolute discretion in the release of Earnest
 316. Money. Buyer and Seller agree to hold harmless and indemnify Escrow Company against any claim, action or lawsuit of any kind,
 317. and from any loss, judgment, or expense, including costs and reasonable attorneys' fees, arising from or relating in any way to the
 318. release of Earnest Money.

319. **Recommendations:** If any Broker recommends a builder, contractor, inspector, vendor or any other person or entity to Seller or Buyer
 320. for any purpose, such recommendation shall be independently investigated and evaluated by Seller or Buyer, who hereby acknowledge
 321. that any decision to enter into any contractual arrangements with any such person or entity recommended by any Broker will be based
 322. solely upon such independent investigation and evaluation. Seller and Buyer understand that said contractual arrangement may result
 323. in a commission or fee to Broker, which shall be disclosed in writing to the Seller and Buyer as required by law.

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SELLER SELLER

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BUYER BUYER

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ADDITIONAL TERMS

324. The following are changes or additions to the Purchase Contract.

325. Changes:

326. line 62 Due Diligence: Buyer's due diligence and inspection period shall commence on June 1st and
327. continue through July 3, 2018.

328. Line 235. Rents, Interest and Expenses: Rents; interest on existing notes, if transferred;

329. utilities; and operating expenses shall be paid in full by Seller prior to Close of Escrow.

330. Line 304-307. In addition, each party agrees to indemnify and hold harmless its own Broker(s)

331. against all costs and expenses that its Broker may incur or sustain in connection with any lawsuit

332. arising from this Contract and will pay the same on demand unless the court grants judgment in

333. such action against the party to be indemnified. Costs shall include, without limitation,

334. reasonable attorney's fees, expert witness fees, fees paid to investigators and court costs.

335.

336. Additional Terms:

337. Seller offers to sell the Property to Buyer per the terms of this Purchase Contract, and this

338. offer remains open until August 15, 2018.

339.

340. The Sale is contingent on City Council approval and the adoption of an ordinance to acquire the

341. Property. First reading of the ordinance shall be on June 19, 2018, second reading on July 3rd and

342. ordinance adopted on August 3rd, 2018. The Mayor may sign the contract on August 3rd, 2018.

343.

344. This Contract is contingent upon an appraisal report, which determines the fair market value of

345. the Property fall within a range of 5% higher or lower than the purchase offer. Buyer and Seller

346. agree that if the appraisal valuation is greater than or less than 5% the parties may agree to

347. negotiate a new price or cancel the contract without any penalty and the Earnest Money shall be

348. refunded to Buyer, and each party will bear its own costs.

349. Risk of Loss: If there is any loss or damage to the Property between the date of mutual execution of this Contract and the Close of

350. Escrow or possession of the Property, whichever is earlier, by reason of fire, vandalism, flood, earthquake or act of God, the risk of

351. loss shall be borne by the Seller, provided, however, that if the cost of repairing such loss or damage would exceed ten percent

352. (10%) of the purchase price, either Seller or Buyer may elect to cancel the Contract by written notice pursuant to lines 308-312.

353. Permission: Buyer and Seller grant Broker(s) permission to advise the public of the existence of this Contract.

354. Arizona Law: This Contract shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.

355. Time is of the essence: The parties acknowledge that time is of the essence in performance of the obligations described herein.

356. Broker's Fee: Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm,

357. broker or finder in connection with the negotiation of this Contract and/or the consummation of the purchase and sale contemplated

358. herein, other than the Broker(s) named herein, and no Broker or other person, firm or entity, other than said Broker(s) is/are entitled

359. to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of either Buyer or Seller.

360. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs,

361. expenses or liability for compensation, commission or charges that may be claimed by any broker, finder or other similar party, other

362. than said named Broker(s) by reason of any dealings or act of the indemnifying party.

363. Compensation: Seller and Buyer acknowledge that Broker(s) shall be compensated for services rendered as previously agreed by

364. separate written agreement(s). Any separate written agreement(s) shall be delivered to Escrow Company for payment at Close of

365. Escrow, if not previously paid, and shall constitute an irrevocable assignment of Seller's proceeds at Close of Escrow and/or

366. payment shall be collected from Buyer as a condition to Close, as applicable. If any Broker hires an attorney to enforce the collection

367. of the brokerage fee payable pursuant to this Contract and is successful in collecting some or all of such brokerage fee, the

368. party(ies) responsible for paying such brokerage fee agree(s) to pay such Broker's costs including, but not limited to: reasonable

369. attorneys' fees, expert witness fees, fees paid to investigators, and court costs. COMMISSIONS PAYABLE FOR THE SALE,

370. LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR ASSOCIATION OF REALTORS® OR

371. MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE BROKER AND CLIENT. THE SELLER

372. AND THE BUYER ACKNOWLEDGE THAT THE BROKER(S) REFERENCED HEREIN ARE THIRD-PARTY BENEFICIARIES OF

373. THIS CONTRACT.

>>

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374. **Additional Compensation:** The Real Estate Settlement Procedures Act ("RESPA") prohibits the paying or receiving of any fee, kickback, or thing of value for the referral of any business related to settlement or closing of a federally regulated mortgage financing, including, but not limited to, any services related to the origination, processing, or funding of a federally regulated mortgage financing, and includes settlement related business. RESPA does not prohibit fees, salaries, compensation, or other payments for services actually performed. If any Broker performs any such services for a fee, Seller and Buyer consent to the payment of this additional compensation as follows: N/A

380. _____

381. _____

382. **Subsequent Offers:** Buyer acknowledges that Seller has the right to accept subsequent offers until Close of Escrow. Seller understands that any subsequent offer accepted by the Seller must be a backup offer, namely, contingent on the cancellation of this Contract.

385. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Seller and Buyer, and shall supersede any other written or oral agreements between Seller and Buyer. This Contract, including any extensions of any time periods referenced herein, can be modified only by a writing signed by Seller and Buyer. A fully executed facsimile copy of the entire Contract shall be treated as an original Contract. This Contract and any other documents required by this Contract may be executed and delivered by facsimile and in any number of counterparts, which shall become effective upon delivery as provided for herein. All counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original. The failure to initial any page of this Contract shall not affect the validity or terms of this Contract. All references to days in this Contract shall be construed as calendar days.

393. **Assignment:** Except in the event of a tax-deferred exchange, Buyer shall not assign this Contract without the prior written consent of Seller. Any such assignment shall not release Buyer from Buyer's obligations under this Contract.

395. **Release of Brokers:** SELLER AND BUYER HEREBY ACKNOWLEDGE THAT THEY HAVE BEEN AND ARE NOW ADVISED BY THE BROKER(S) TO CONSULT AND RETAIN THEIR OWN EXPERTS TO ADVISE AND REPRESENT THEM CONCERNING THE LEGAL AND INCOME TAX EFFECTS OF THIS CONTRACT, AND THE CONDITION OF THE PROPERTY. SELLER AND BUYER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY ALL BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING THE CONDITION, SQUARE FOOTAGE/ACREAGE, LOT LINES OR BOUNDARIES, VALUE, FINANCING, RENT ROLLS, INCOME AND EXPENSE PROJECTIONS OR PROFORMAS, ENVIRONMENTAL CONDITIONS, SANITATION SYSTEMS, ROOF CONDITION, WOOD INFESTATION AND WOOD INFESTATION REPORT, COMPLIANCE WITH BUILDING CODES, ZONING OR OTHER GOVERNMENTAL REGULATIONS, OR ANY OTHER MATERIAL MATTERS RELATING TO THE PROPERTY.

404. _____

(INITIALS REQUIRED)

BUYER

BUYER

SELLER

SELLER

405. **Time for Acceptance:** This is an offer to purchase the Property. Unless acceptance is signed by Seller and a signed copy delivered in person, by private or United States mail, or facsimile, and received by Buyer or by Broker named on Lines 17-18 by: May 29, 2018 at 5:00 ☐ AM ☒ PM, Mountain Standard Time, or unless this offer to purchase has been previously withdrawn in writing by Buyer, this offer to purchase shall be deemed withdrawn and the Buyer's Earnest Money shall be returned.

410. **THIS CONTRACT CONTAINS NINE (9) PAGES EXCLUSIVE OF ANY ADDENDA AND ATTACHMENTS. PLEASE ENSURE THAT YOU HAVE RECEIVED AND READ ALL NINE (9) PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.**

412. The undersigned agree to purchase the Property on the terms and conditions herein stated and acknowledge receipt of a copy hereof.

414. _____
^ BUYER'S SIGNATURE MO/DA/YR ^ BUYER'S SIGNATURE MO/DA/YR

415. City of Flagstaff
BUYER NAME PRINTED BUYER'S NAME PRINTED

416. By: _____

417. Its: Mayor

418. 211 W. Aspen Avenue
ADDRESS ADDRESS

419. Flagstaff, AZ 86001
CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

420. Broker: _____
(COMPANY NAME) (LICENSEE)

421. Charity Lee - Real Estate Manager
Flagstaff, AZ 86001 (928) 213-2072 N/A clee@flagstaffaz.gov
(ADDRESS) (TELEPHONE) (FAX) (E-MAIL)

>>

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ACCEPTANCE

422. **Agency Confirmation:** The following agency relationship(s) is hereby confirmed for this transaction:

423. Listing Broker: Hilton Harris Hilton Harris Real Estate N/A
(PRINT SALESPERSON'S NAME AND AGENCY CODE) (PRINT FIRM NAME AND OFFICE CODE) (TELEPHONE)

424. Is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller

425. **Seller Receipt of Copy:** The undersigned acknowledge receipt of a copy hereof and grant permission to Broker named on
 426. Lines 17-18 to deliver a copy to Buyer.

427. ☐ Counter Offer is attached, and is incorporated herein by reference. Seller must sign both the Contract and the
 428. ☐ Counter Offer. If there is a conflict between this Contract and the Counter Offer, the provisions of the Counter Offer
 429. shall be controlling.

430. The undersigned agree to sell the Property on the terms and conditions herein stated.

431. Bonnie Kay McNeil 05/26/2018 SELLER'S SIGNATURE MO/DA/YR SELLER'S SIGNATURE MO/DA/YR

432. McNeil Klahr Living Trust DTD 11-19-97
SELLER'S NAME PRINTED SELLER'S NAME PRINTED

433. By: Bonnie Kay McNeil

434. Its: Trustee

435. 1073 E. Baldy Spring PL. ADDRESS ADDRESS

436. Green Valley, AZ 85614 CITY, STATE, ZIP CODE CITY, STATE, ZIP CODE

437. Broker: Hilton Harris Real Estate Hilton Harris
(COMPANY NAME) (LICENSEE)

438. 2400 N Whispering Pines Way 928-699-3525 hilton@hiltonharris.c
Flagstaff, AZ 86004 (ADDRESS) (TELEPHONE) (FAX) (E-MAIL)

ACCEPTANCE BY ESCROW COMPANY

439. Date of Opening of Escrow: _____

440. The provisions of this Contract are hereby acknowledged and agreed to.

441. Escrow Company: Pioneer Title

442. By: _____

443. Its: _____

For Broker Use Only:

Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials HH Date 5/26/2018
MO/DA/YR

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Bonnie Kay McNeil SELLER SELLER Initials

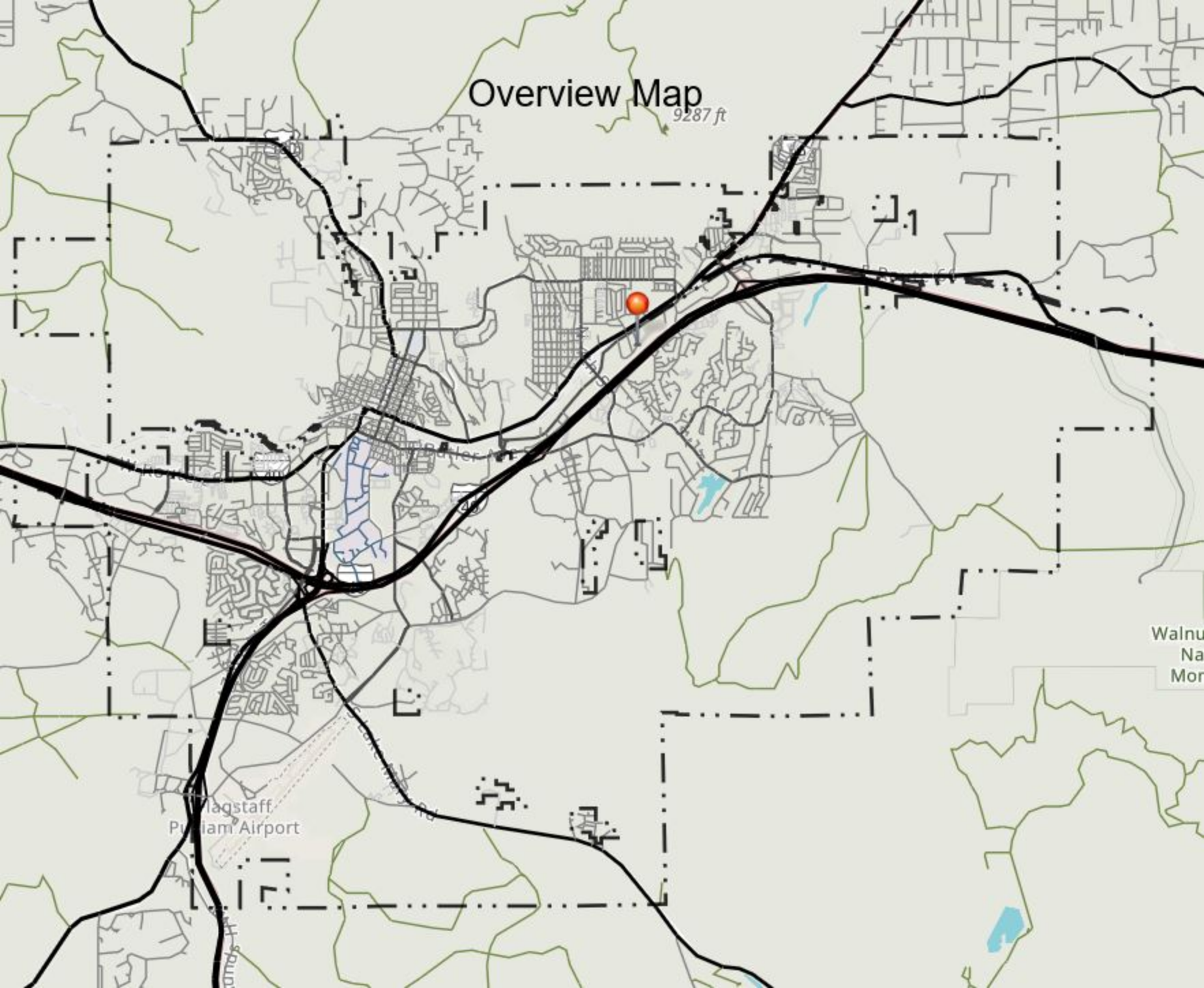
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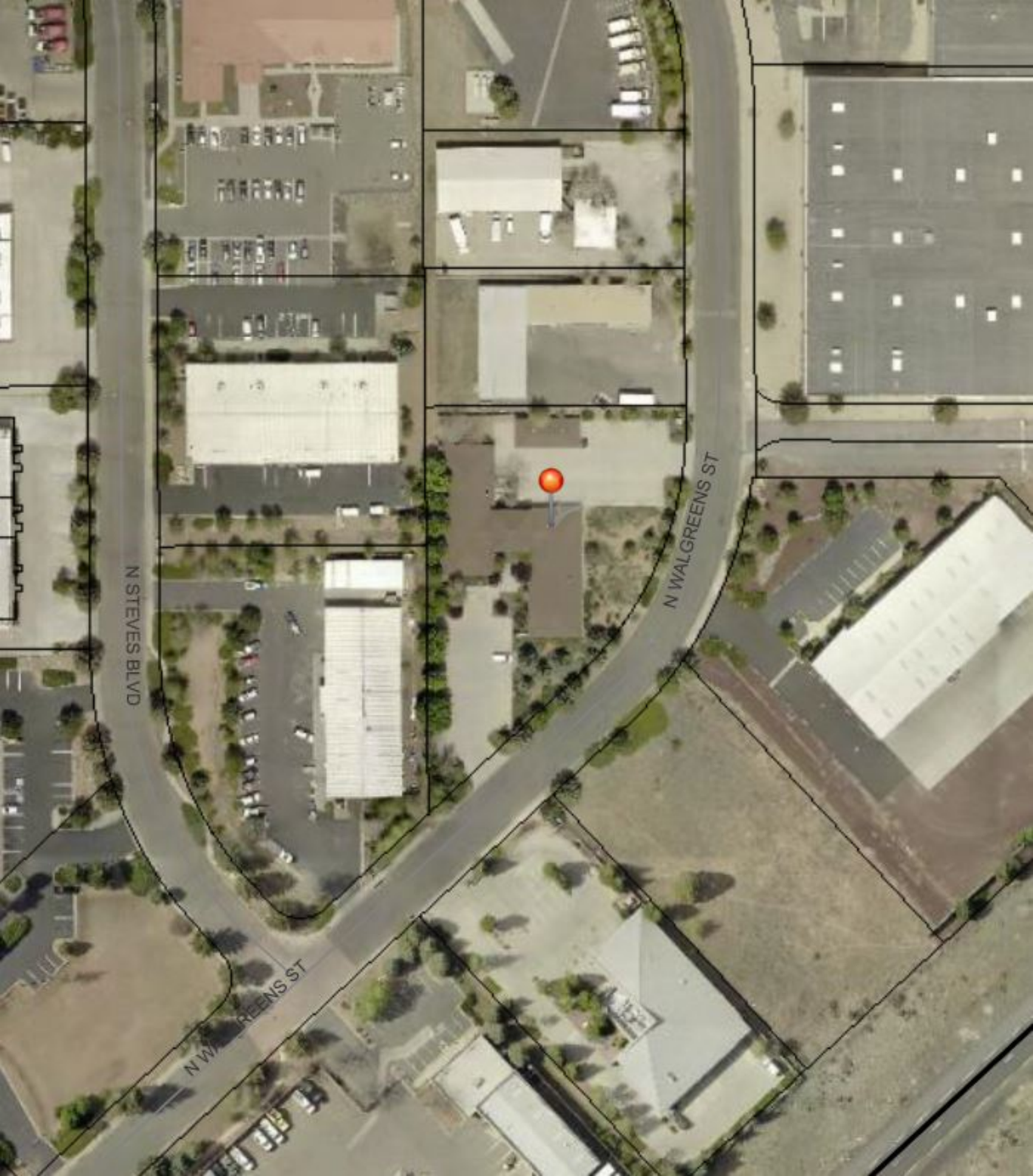
BUYER BUYER



Overview Map

9287 ft





CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Mark Richardson, Operations Manager
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Approval of Cooperative Contract: Approve the purchase of Sewer and Manhole Video Inspection Equipment and a Vehicle through a cooperative purchase contract with Envirosight, LLC in the amount of \$299,614.80.

STAFF RECOMMENDED ACTION:

Approve the purchase of Sewer and Manhole Video Inspection Equipment and a Vehicle from Envirosight, LLC through the Sourcewell (formerly known as the National Joint Powers Alliance) cooperative purchase Contract No. 022014-EVS for \$299,614.80, plus applicable tax; and authorize the City Manager to execute the necessary documents.

Executive Summary:

Flagstaff Water Service operates and maintains over 276 miles of sanitary sewer with over 7,494 manholes. Wastewater Collection Section utilizes video inspection equipment to help inspect, operate, repair and maintain the collection system. The CCTV (Closed Caption Television) system is extensively used to determine the current condition of the existing sewer mains and helps determine areas of needed maintenance; from sewer blockages to damaged pipes. This purchase would be for crucial pieces of equipment for the Wastewater Collection Section. In addition, newly installed pipe is inspected and a video created showing the condition at time of acceptance.

The existing vehicle used by the Wastewater Collections Section is a 2003 Ford box van that is equipped with camera and control systems of the same time period. Much of the technology is now out dated and difficult to repair. Computers and controllers have been upgraded on multiple occasions, but are still are behind current standards. The camera system utilizes older technologies and requires extensive maintenance to keep the unit operational. This equipment has serviced its useful life with the City and is in need of replacement with up to date equipment that is compatible with our Computerized Maintenance Management System (CMMS).

This purchase will include a new four wheel drive vehicle with a 14 foot cargo box which will have a complete video inspection system installed, including, the capability of manhole inspections.

Financial Impact:

The replacement of this vehicle was budgeted for fiscal year 2018 under Account 203-08-313-1132-4401 for the replacement of the CCTV Van and 203-08-313-1132-0-4313 for additional parts. Any additional overages due to cover ancillary expenses and taxes can be taken from 203-08-313-1134-0-4237.

Policy Impact:

None

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

2018 Goal: Transportation and other Public Infrastructure - Evaluate Water, Wastewater and Reclaim Water Infrastructure Capacity Issues, Replace Aging Infrastructure.

Has There Been Previous Council Decision on This:

None

Options and Alternatives:

1. Approve this Cooperative Purchase Contract with Envirosight, LLC through the Sourcewell cooperative purchase Contract No. 022014; or
2. Forego the purchase of new Sewer and Manhole Video Inspection Equipment and a Vehicle and require that the City continue to use the existing equipment and vehicle.

Background/History:

Flagstaff Water Services has been utilizing video inspection of the wastewater collection system for over thirty years and has provided valuable information on the condition of the pipes buried below the streets, from new installations to the old pipes installed many years ago.

Staff reviewed the NJPA (now known as Sourcewell) cooperative purchase contracts with Envirosight, LLC and Rapidview for the purchases and invited both contractors to demonstrate their equipment. After the demonstrations, staff revised the specifications to be a comprehensive specification that met all of the City's current and future needs. Both contractors were then asked to submit bids based on the revised specifications consistent with NJPA (now known as Sourcewell) requirements. Based on the submittals, staff selected the products offered by Envirosight, LLC. Their equipment was the most versatile, met the specifications, was within budget, and was the lowest responsive and responsible bid.

Key Considerations:

The existing system is older technology that is difficult to repair and does not integrate in to the newer GIS and Computer Maintenance Management Systems (CMMS) very well.

Expanded Financial Considerations:

None.

Community Benefits and Considerations:

Community Involvement:

Expanded Options and Alternatives:

Attachments:

- [Cooperative Purchase Contract](#)
- [Envirosight Cooperative Purchase Contract](#)
- [Flagstaff Specifications](#)
- [Bid Evaluation](#)
- [Envirosight Pricing](#)
- [Manhole Inspection Equipment](#)
- [TV Van Use Blog](#)
- [Rover CCTV Brochure](#)
- [CCTV Van](#)
- [Photo of Typical Envirosight](#)
- [Photo of S4030](#)

COOPERATIVE PURCHASE CONTRACT

Contract No. 022014-EVS

This Cooperative Purchase Contract is made and entered into this _____ day of _____, 2018 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and EnviroSight, LLC, a New Jersey Limited Liability Corporation ("Contractor").

RECITALS:

- A. Contractor has a contract with Sourcewell (formerly known as the National Joint Powers Alliance), ("Agency Contract"), which was awarded through a competitive and open procurement process; and
- B. The City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract.

AGREEMENT:

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

1. Materials and or Services Purchased. Contractor shall provide to City the materials and/or services, as specified in the Purchase Order(s) submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased:

Sewer and Manhole Video Inspection Equipment and Vehicle

2. Specific Requirements of City. Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Purchase Order(s) submitted to Contractor or Exhibit A attached hereto and incorporated by reference.
3. Payment. Payment to the Contractor for the materials and or services provided shall be made in accordance with the price list and terms set forth in the Agency Contract.
4. Terms and Conditions of Agency Contract Apply. All provisions of the Agency Contract documents, including any amendments, are incorporated in, and shall apply to this Contract as though fully set forth herein. The Agency Contract is set forth in Exhibit B attached hereto and incorporated by reference. The Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract.
5. Certificates of Insurance. All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.
6. Term. This Cooperative Purchase Contract shall commence upon execution by the parties and shall continue until expiration or termination of the underlying Agency Contract, unless sooner terminated by City in writing.

7. Renewal. This Cooperative Purchase Contract shall be automatically renewed if the underlying Agency Contract is renewed, for the same renewal period, unless City provides advance written notice to Contractor of its intention to non-renew.

CONTRACTOR:

By: _____

Title: _____

CITY OF FLAGSTAFF

By: _____

Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney's Office

EXHIBIT A
SPECIFIC REQUIREMENTS OF CITY

Price: Per Purchase Order

Specifications: Per Purchase Order

Schedule of performance: Per Purchase Order

Delivery location: Per Purchase Order

Notices: All notices to City shall be sent to:

Buyer: Rick Compau, Purchasing Director
Purchasing Department
211 W. Aspen Drive
Flagstaff, Arizona 86001
(928) 213-2275

EXHIBIT B
AGENCY CONTRACT

Envirosight, LLC

Cooperative Purchase Contract No. 022014-EVS

Bid Documents and Current Price Lists



National Joint Powers Alliance® (herein NJPA)

REQUEST FOR PROPOSAL (herein RFP)

for the procurement of

SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES

RFP Opening

February 21, 2014

8:00 A.M. Central Time

At the offices of the

National Joint Powers Alliance®

202 12th Street Northeast, Staples, MN 56479

RFP #022014

The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential Member agencies to include all Government, Higher Education, K12 Education, Non-Profit, and all other Public Agencies located nationally in all fifty states and potentially internationally, issues this Request For Proposal (RFP) to result in a national contract solution for the procurement of SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES. Details of this RFP are available beginning January 9, 2014 and continuing until February 13, 2014. Details may be obtained by letter of request to Maureen Knight, NJPA, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until February 20, 2014 at 4:30 p.m. Central Time at the above address and opened February 21, 2014 at 8:00 A.M. Central Time.

RFP Timeline

January 9, 2014

Publication of RFP in the print and online Minneapolis Star Tribune, in the print version of the Salt Lake News within the state of Utah, in the print and online Daily Journal of Commerce within the State of Oregon, the NJPA website, and on the website of noticetobidders.com

February 6, 2014

10:00 A.M. Central Time

Pre-Proposal Conference (webcast – conference call - Connection info sent to all inquirers two business days prior to the event)

February 13, 2014

Deadline for RFP requests and questions

February 20, 2014

4:30 P.M. Central Time

Deadline for Submission of Proposals

February 21, 2014

8:00 A.M. Central Time

Public Opening of Proposals

Direct questions regarding this RFP to:
Maureen Knight at maureen.knight@njpacoop.org or (218)895-4114



Formal Offering of Proposal
(To be completed Only by Proposer)

SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES.

In compliance with the Request for proposal (RFP) for "SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES", the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: Envirosight

Date: February 18, 2014

Company Address: 111 Canfield Ave Unit B3

City: Randolph

State: NJ

Zip: 07869

Contact Person: Tammy Smith

Title: Customer Care Specialist

Authorized Signature (ink only):

A handwritten signature in ink, appearing to read "Richard Lindner", is written over a horizontal line.

Richard Lindner

(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 022014 Sewer Vacuum, Hydro Excavation, +/- Street
Sweeper Equipment with related accessories & supplies.
EnviroSight
Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be March 18th, 20 14 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: Dr. Chad Coquette
NJPA Executive Director

(Name printed or typed)

Awarded this 18th day of March, 20 14 NJPA Contract Number # 022014-EVS

NJPA Authorized signature: [Signature]
NJPA Board Member

Scott Veronen
(Name printed or typed)

Executed this 18th day of March, 20 14 NJPA Contract Number # 022014-EVS

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name EnviroSight

Vendor Authorized signature: [Signature]

Richard Lindner
(Name printed or typed)

Title: President

Executed this 21st day of March, 20 14 NJPA Contract Number # 022014-EVS

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS
AND SOLUTIONS REQUEST**

Company Name: EnviroSight

Note: **Original must be signed** and inserted in the inside front cover pouch.

Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA and may or may not be included in the final contract. NJPA may clarify exceptions listed here and document the results of those clarifications in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception		

Proposer's Signature:

A handwritten signature in black ink, appearing to be "Z. J. [unclear]", is written over a horizontal line.

Date:

2/18/14



Formal Offering of Proposal
(To be completed Only by Proposer)

SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES.

In compliance with the Request for proposal (RFP) for "SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES", the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: Envirosight

Date: February 18, 2014

Company Address: 111 Canfield Ave Unit B3

City: Randolph

State: NJ

Zip: 07869

Contact Person: Tammy Smith

Title: Customer Care Specialist

Authorized Signature (ink only):

Richard Lindner

(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 022014 Sewer Vacuum, Hydro Excavation, +/- Street
Sweeper Equipment with related accessories +
EnviroSight

Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be March 18th, 20 14 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: Dr. Chad Coquette
NJPA Executive Director

(Name printed or typed)

Awarded this 18th day of March, 20 14 NJPA Contract Number # 022014-EVS

NJPA Authorized signature: Scott Veronen
NJPA Board Member

(Name printed or typed)

Executed this 18th day of March, 20 14 NJPA Contract Number # 022014-EVS

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name EnviroSight

Vendor Authorized signature: Richard Lindner

(Name printed or typed)

Title: President

Executed this 21st day of March, 20 14 NJPA Contract Number # 022014-EVS



PROPOSER QUESTIONNAIRE
Products/Equipment, Pricing, Sector Specific, Services, Terms and Warranty

Proposer Name: EnviroSight

Questionnaire completed by: Tammy Smith

Payment Terms and Financing Options

1) Identify your payment terms if applicable. (Net 30, etc.)

Envirosight's standard payment Terms are Net 30

2) Identify any applicable leasing or other financing options as defined herein.

Envirosight does not offer any leasing or financing, if the member needs financing they are responsible for securing the loan on their own. Most Sales Partners have local regional leasing companies that they can refer members to for leasing requirements.

3) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member's final Contract phase process).

- a. Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will the Dealer accept the P.O.), and how are we to verify the specific dealer is part of your network?

See attached order process
(*NJPA Order Process.pdf)

4) Do you accept the P-card procurement and payment process?

No currently we do not accept the P-card

Warranty

5) Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.

Envirosight Products carry a one year manufacture warranty; the statements with full details are attached along with a procedure for placing a claim.

(*file names – verisight warranty.pdf, QV warranty.pdf, Rovver warranty.pdf, supervision warranty.pdf)

6) Do all warranties cover all products/equipment parts and labor?

Yes, for repairs related to manufacture's defect.

7) Do warranties impose usage limit restrictions?

No, however, some wear items are not typically covered under warranty.

8) Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?

No, warranty work must be performed at a local service site.

9) Please list any other limitations or circumstances that would not be covered under your warranty.

1. Equipment, which has been damaged due to:

*Accident, misuse, abuse, fire, flood or "acts of God," or other contingencies beyond the control of EnviroSight

*Connection to incorrect power supply or line voltages.

*Use in contravention of operating instructions.

*Cables/connectors damaged by accident or misuse.

*Improper or unauthorized repairs.

2. Damage to warranted items sustained in shipment to purchaser.

3. Equipment that has had any of its identification, instructional or "sealing" labels removed or tampered with.

4. Any unit, which has had its serial number altered, defaced or removed.

EnviroSight, LLC will not be responsible for any changes, modifications or repairs, either in cost or consequence, made by personnel not authorized by EnviroSight, LLC.

EnviroSight, LLC will not be responsible for the loss of or damage to equipment while in the possession of any authorized or unauthorized service agency.

EnviroSight, LLC reserves the right to make changes in design and improvements upon its products without assuming any obligations to install such changes upon any of its products previously manufactured.

10) Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair?

Any member that does not have a Certified Service center in their region can ship their equipment directly to EnviroSight in NJ via UPS, Freight Carrier, or method of their choice for warranty consideration.

Equipment/Products and Related Services and Pricing

- 11) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.**

Envirosight provides camera equipment that is used to inspect underground infrastructure such as sewer and drainage piping. These products range in versatility, functionality, range, visibility, adaptability, and measurement. Our products assist in maintaining the underground infrastructure without having to send people into confined spaces. We also offer reporting software to document inspections completed, complete inspection vehicles, and service and support of products purchased.

- 12) Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).**

Our pricing catalog is set up by product line beginning with the main system components and then followed by all available accessories for that particular product. Each product has its own labeled tab in the Excel Workbook.

Product Lines are as follows:

Rovver X– System, Individual Components, Accessories

SuperVision – SV & SAT Systems, Individual Components, Accessories

Crawler Accessories – Wheels & General Accessories used with both the Rovver X and Supervisions Systems

Verisight – Systems, Accessories

QuickView – Systems, Viewing Devices, Accessories

JetScan – Systems, Accessories

Builds – Outpost Inspection Platform, Buildouts to customer provided vehicles

WinCan – inspection software and hardware

Chassis – vehicle chassis for buildouts

- 13) Please quantify the discount range presented in this response pricing as a percentage discount from MSRP/published list.**

Envirosight will offer a 2% Discount off the List Price as noted in the pricelist.

- 14) Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.**

Pricing Workbook is attached. Envirosight will offer a 2% discount to members on all items listed on the contract, which include the contract fee built into the price.

Part Numbers and Descriptions are listed for each item as well as product literature and specifications (where applicable) are attached.

(*file attached – PRICE LIST – NJPA RFP022014 Pricelist FINAL.xlsx)

(*files attached – Product Literature and Build Documents – quickview.pdf, rovverx.pdf, supervision.pdf, supervisionsat.pdf, ds_brocure.pdf, supervision_wheels_display.pdf, transport_outpost.pdf, verisightpro.pdf, jetscan.pdf, Box Truck Worksheet.pdf, Cargo Van Work Sheet.pdf, Nissan NV Worksheet.pdf, Sprinter Worksheet.pdf, Trailer Worksheet.pdf, rvx_dex5000.pdf, rvx_rx400.pdf, rvx_rx95.pdf, rvx_sat.pdf, verisightpro_vsp360.pdf, rvx_vs.pdf)

15) Propose a strategy, process, and specific method of facilitating "Sourced Product/Equipment and Related Services" (AKA, "Open Market" items or "Non-Standard Options").

In regards to Sourced products or Non-Standard Options EnviroSight would like to propose that a member may have on their order Sourced or Non-Standard Options that do not exceed 25% of the total value of the Purchase Order. This allows for items that are not commonly ordered to be made available to members while utilizing the contract. We have found this option very helpful in other contracts.

Example – if a Purchase Order was \$60,000.00, the member may have up to \$15,000.00 of Sourced or Non Standard Options on the Order as well. These options may only be items that would work in conjunction with the main base system that is purchased.

16) Provide your NJPA customer volume rebate programs, as applicable.

EnviroSight would consider volume discounts / rebates but these would be on a case by case basis.

17) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is NOT included "Pricing" submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.

All Sales are FOB Randolph with the exception of Truck Builds which would be FOB Evans City, PA (location of EnviroSight truck build facility)

When the equipment is delivered to the member it will be ready to use as is, no other cost to operate the equipment will be required. Additional training charges may be charged at the dealers discretion based on the equipment ordered.

Shipping costs are the members responsibility and not part of the pricing submitted and will be charged as a separate line item on the invoice to the member.

18) If freight, delivery or shipping is an additional cost to the NJPA member, describe in detail the complete shipping and delivery program.

Freight, delivery or shipping is an additional cost to the member. Shipping rates vary on the type of equipment ordered and the service that is used to deliver.

EnviroSight uses UPS and UPS Freight as our preferred shipping methods, however if the member has an account with either UPS or another shipping company we can use this as an alternative and will be charged to the member from the company that they requested.

Delivery of trucks is based on mileage and expenses to and from the delivery address.

19) As an important part of the evaluation of your offer, you must indicate the level of pricing you are offering. Prices offered in this proposal are (Your proposal will be deemed "Non-Responsive" if this question is not answered):

_____ a. Pricing is the same as typically offered to an individual municipality, Higher ed or school district.

☒ b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.

_____ c. Better than typically offered to GPOs, cooperative procurement organizations or state purchasing departments.

20) Do you offer quantity or volume discounts? ☐ YES ☐ NO Outline guidelines and program.

Envirosight would consider quantity or volume discounts on a case by case basis based on the terms of the sale.

21) Describe in detail your proposed exchange and return program(s) and policy(s).

Due to the extremely specialized and customized equipment Envirosight offers, exchanges and returns will be considered on a case by case basis only.

22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services

Programs are the same as above.

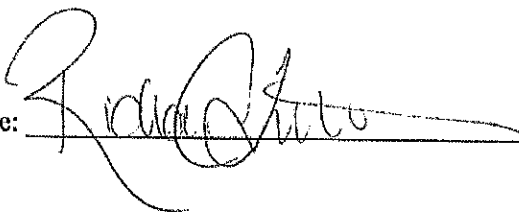
23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Because Envirosight mainly sells through our dealer network we are going to request that when any sale comes through as a sale made from the NJPA contract it be noted on the Purchase Order and a copy of the members Purchase Order must accompany their order. These orders will be then flagged with a note that this is an NJPA order and that an administrative fee must be paid on this. This will allow our accounting department to calculate the fee and issue payment to NJPA in a timely fashion.

Industry or Sector Specific Questions

24) NA

Signature: _____



Date: _____

2/18/14

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1. INTRODUCTION

A. ABOUT NJPA

- 1.1** The National Joint Powers Alliance®- (NJPA)- is a public agency serving as a national municipal contracting agency established under the Service Cooperative statute by Minnesota Legislative Statute §123A.21 with the authority to develop and offer, among other services, cooperative procurement services to its membership. Eligible membership and participation includes states, cities, counties, all government agencies, both public and non-public educational agencies, colleges, universities and non-profit organizations.
- 1.2** Under the authority of Minnesota state laws and enabling legislation, NJPA facilitates a competitive bidding and contracting process on behalf of the needs of itself and the needs of current and potential member agencies nationally. This process results in national procurement contracts with various Vendors of products/equipment and services which NJPA Member agencies desire to procure. These procurement contracts are created in compliance with applicable Minnesota Municipal Contracting Laws. A complete listing of NJPA cooperative procurement contracts can be found at www.njpacoop.org.
- 1.3** NJPA is a public agency governed by publicly elected officials that serve as the NJPA Board of Directors. NJPA's Board of Directors calls for all proposals, awards all Contracts, and hosts those resulting Contracts for the benefit of its own and its Members use.
- 1.3.1 Subject to Approval of the NJPA Board:** NJPA contracts are awarded by the action of NJPA Board of Directors. This action is based on the open and competitive bidding process facilitated by NJPA. The evaluation and resulting recommendation is presented to the Board of Directors by the NJPA Proposal Evaluation Committee.
- 1.4** NJPA currently serves over 47,000 member agencies nationally. Both membership and utilization of NJPA contracts continue to expand, due in part to the increasing acceptance of Cooperative Purchasing throughout the government and education communities nationally.

B. JOINT EXERCISE OF POWERS LAWS

- 1.5** NJPA cooperatively shares those contracts with its Members nationwide through various "Joint Exercise of Powers Laws" established in Minnesota and other States. The Minnesota "Joint Exercise of Powers Law" is Minnesota Statute §471.59 which states "Two or more governmental units...may jointly or cooperatively exercise any power common to the contracting parties..." Similar Joint Exercise of Powers Laws exists within the laws of each State of the United States. This Minnesota Statute allows NJPA to serve Member agencies located in all other states. Municipal agencies nationally have the ability to participate in cooperative purchasing activities as a result of specific laws of their own state. These laws can be found on our website at <http://www.njpacoop.org/national-cooperative-contract-solutions/legal-authority/>.

C. WHY RESPOND TO A NATIONAL COOPERATIVE PROCUREMENT CONTRACT

- 1.6** National Cooperative Procurement Contracts create value for Municipal and Public Agencies, as well as for Vendors of products/equipment and services in a variety of ways:
- 1.6.1** National cooperative contracts potentially **save the time and effort** of Municipal and Public Agencies who would have been otherwise charged with soliciting vendor responses to individual RFP's, resulting in individual contracts, to meet the procurement needs of their respective agencies. Considerable time and effort is also potentially saved by the Vendors who would have had to otherwise respond each of those individual RFPs. A single, nationally advertised RFP, resulting in a single, national cooperative contract can potentially replace

thousands of individual RFPs for the same products/services that might have been otherwise advertised by individual NJPA member agencies.

1.6.2 NJPA contracts offer our Members nationally leveraged **volume purchasing discounts**. Our contract terms and conditions offer the opportunity for Vendors to recognize individual member procurement volume commitment through additional volume based contract discounts.

1.7 State laws that permit or encourage cooperative purchasing contracts do so with the belief that cooperative efficiencies will result in lower prices, better overall value, and considerable time savings.

1.8 The collective purchasing power of thousands of NJPA Member agencies nationwide offers the opportunity for volume pricing discounts. Although no sales or sales volume is guaranteed by an NJPA Contract resulting from this RFP, substantial volume is anticipated and volume pricing is requested and justified.

1.9 NJPA and its Members desire the best value for their procurement dollar as well as a competitive price. Pre-competed procurement contracts offer NJPA and its Member agencies the ability to directly compare non-price factors in their procurement analysis. Vendors have the opportunity to display and highlight value added attributes of their company, equipment/products and services without constraints of a typical individual proposal process.

D. THE INTENT OF THIS RFP

1.10. A national contract awarded by the NJPA Board of Directors: The intent of this RFP is to award a national contract by the action of the NJPA Board of Directors. This action will be influenced by the recommendation of the NJPA Proposal Evaluation Committee, and as a result of the competitive proposal and evaluation process which has been designed to reflect the best interests of NJPA and its Member agencies. NJPA is seeking the most responsive Vendor relationship(s) to meet this need. The goal and intent of this RFP is to follow through with an award and contract, which will be marketed nationally through a cooperative effort between the awarded vendor(s) and NJPA.

1.11 NJPA's primary intent is to establish and provide a national cooperative procurement contract, offering opportunities for NJPA and our Member agencies to procure quality product/equipment and services as desired and needed. Contracts are expected to offer price levels reflective of the potential and collective volume of NJPA and the nationally established NJPA membership base.

1.11.1 Beyond our primary intent, NJPA further desires to:

- Award a four year term contract with a fifth year contract option resulting from this RFP;
- Offer and apply any applicable technological advances throughout the term of a contract resulting from this RFP;
- Deliver "Value Added" aspects of the company, equipment/products and services as defined in the "Proposer's Response";
- Deliver wide spectrums of solutions to meet the needs and requirement of NJPA and NJPA Member agencies.
- Award an exclusive contract to the most responsive vendor when it is deemed to be in the best interest of NJPA and the NJPA Member agencies.

1.12 Non-Manufacturer Awards: NJPA reserves the right to make an award related to this invitation to a non-manufacturer or dealer/distributor if such action is in the best interests of NJPA and its Members.

1.13 Exclusive or Multiple Awards: Based on the goals and scope of this RFP, NJPA is requesting responders to demonstrate their ability to serve the needs of NJPA's national membership. It is NJPA's

intent and desire to award a contract to a single exclusive Vendor to serve our membership's needs. To meet the goals of this RFP, NJPA reserves the right to award a Contract to multiple Proposers where the result of the responding Proposers justifies a multiple award and multiple contracts are deemed to be in the best interests of NJPA Member agencies.

E. SCOPE OF THIS RFP

1.14 The scope, goal and intent of this RFP is to award a contract to a qualifying vendor defined as a manufacturer, provider, or dealer/distributor, established as a Proposer, and deemed responsive through our open and competitive proposal process. Vendors will be awarded contracts based on the proposal and responders demonstrated ability to meet the expectations of the RFP and demonstrate the overall highest valued solutions which meet and/or exceed the current and future needs and requirements of NJPA and its Member agencies nationally within the scope of **SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES**. Qualifying Proposers who are able to anticipate the current and future needs and requirements of NJPA and NJPA member agencies; demonstrate the knowledge of any and all applicable industry standards, laws and regulations; and possess the willingness and ability to distribute, market to and service NJPA Members in all 50 states are preferred. NJPA requests proposers submit their entire product line as it applies and relates to the scope of this RFP. All proposals deemed responsive will be evaluated based on their ability to provide the overall highest value to NJPA and NJPA Member agencies. One of the measures of overall highest value will be the proposed breadth and depth of products and services.

1.15 Best and Most Responsive – Responsible Proposer: It is the intent of NJPA to award a Contract to the best and most responsible and responsive Proposer(s) offering the best overall quality and selection of equipment/products and services meeting the commonly requested specifications of the NJPA and NJPA Members, provided the Proposer's Response has been submitted in accordance with the requirements of this RFP.

1.16 Sealed Proposals: NJPA will receive sealed proposal responses to this RFP in accordance with accepted standards set forth in the Minnesota Procurement Code and Uniform Municipal Contracting Law. Awards may be made to responsible and responsive Proposers whose proposals are determined in writing to be the most advantageous to NJPA and its current or qualifying future NJPA Member agencies.

1.17 Use of Contract: Any Contract resulting from this solicitation shall be awarded with the understanding that it is for the sole convenience of NJPA and its Members. NJPA and/or its members reserve the right to obtain like product/equipment and services solely from this Contract or from another contract source of their choice or from a contract resulting from their own procurement process.

1.18 NJPA's interest in a contract resulting from this RFP: Notwithstanding its own use, to the extent NJPA issues this RFP and any resulting contract for the use of its Members, NJPA's interests and liability for said use shall be limited to the competitive proposal process performed and terms and conditions relating to said contract and shall not extend to the products, services, or warranties of the Awarded Vendor or the intended or unintended effects of the product/equipment and services procured there from.

1.19 Awarded Vendor's interest in a contract resulting from this RFP: Awarded Vendors will be able to offer to NJPA, and current and potential NJPA Members, only those products/equipment and services specifically awarded on their NJPA Awarded Contract(s). Awarded Vendors may not offer as "contract compliant", products/equipment and services which are not specifically identified and priced in their NJPA Awarded Contract.

1.20 Sole Source of Responsibility- NJPA desires a "Sole Source of Responsibility" Vendor meaning the Vendor will take sole responsibility for the performance of delivered products/services. NJPA also desires sole responsibility with regard to:

1.20.1 Scope of Products/Services: NJPA desires a provider for the broadest possible scope of products/equipment and services being proposed over the largest possible geographic area and to the largest possible cross-section of NJPA current and potential Members.

1.20.2 Vendor use of sub-contractors in sourcing or delivering product/equipment and services: NJPA desires a single source of responsibility for equipment/products and services proposed. Proposers are assumed to have sub-contractor relationships with all organizations and individuals whom are external to the Proposer and are involved in providing or delivering the product/equipment and services being proposed. Vendor assumes all responsibility for the equipment/products and services and actions of any such Sub-Contractor.

1.21 Additional Definitions for the scope of this solicitation.

1.21.1 In addition to **SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES**, this solicitation should be read to include, but not limited to:

1.21.1.1 N/A

1.21.2 NJPA reserves the right to limit the scope of this solicitation for NJPA and current and potential NJPA member agencies.

1.22 Suggested Solutions Options

1.22.1 All potential Proposers are assumed to be professionals in their respective fields. As professionals you are deemed to be intimately familiar with the spectrum of NJPA and NJPA Members' needs and requirements with respect to the scope of this RFP.

1.22.2 With this intimate knowledge of NJPA and NJPA Members' needs, Proposers are instructed to provide their proposal response in a format describing their solutions to those current and future needs and requirements. Proposers should take care to be economical in their response to this RFP.

1.22.3 Multiple solutions to the needs of NJPA and NJPA Members are possible. **Examples could include:**

1.22.3.1 Equipment/Products Only Solution: Equipment/products Only Solution may be appropriate for situations where NJPA or NJPA Members possess the ability, either in-house or through local third party contractors, to properly install and bring to operation those equipment/products being proposed.

1.22.3.2 Turn-Key Solutions: A Turn-Key Solution is a combination of equipment/products and services which provides a single price for equipment/products, delivery, and installation to a properly operating status. Generally this is the most desirable solution as NJPA and NJPA Members may not possess, or desire to engage, personnel with the necessary expertise to complete these tasks internally or through other independent contractors

1.22.3.3 Good, Better, Best: Where appropriate and properly identified, Proposers are invited to offer the CHOICE of good – better – best multiple grade solutions to NJPA and NJPA Members' needs.

1.22.3.4 Proven – Accepted – Leading Edge Technology: Where appropriate and

properly identified, Proposers are invited to provide an appropriate identified spectrum of technology solutions to compliment or enhance the functionality of the proposed solutions to NJPA and NJPA Members' needs both now and into the future.

1.23 Overlap of Scope:

1.23.1 When considering equipment, products, or groups of product/equipment and services submitted as a part of your response, and whether inclusion of such will fall within a "Scope of Proposal", please consider the validity of an inverse statement.

- For example, pencils and post-it-notes can generally be classified as office supplies and office supplies generally include pencils and post-it-notes.
- In contrast, computers (PCs and peripherals) can generally be considered office supplies; however, the scope of office supplies does not generally include computer servers and infrastructure.
- In conclusion: With this in mind, individual products and services must be examined individually by NJPA, from time to time and in its sole discretion, to determine their compliance and fall within the original "Scope" as intended by NJPA.

1.24 Geographic Area to be Proposed: This RFP invites proposals to provide **SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES** to NJPA and NJPA Members throughout the entire United States and possibly internationally. Proposers will be expected to express willingness to explore service to NJPA Members located abroad; however the lack of ability to serve Members outside of the United States will not be cause for non-award. The ability and willingness to serve Canada, for instance, will be viewed as a value-added attribute.

1.25 Manufacturer as a Proposer: If the Proposer is a Manufacturer or wholesale distributor, the response received will be evaluated on the basis of a response made in conjunction with that Manufacturer's authorized Dealer Network. Unless stated otherwise, a Manufacturer or wholesale distributor Proposer is assumed to have a documented relationship with their Dealer Network where that Dealer Network is informed of, and authorized to accept, purchase orders pursuant to any Contract resulting from this RFP on behalf of the Manufacturer or wholesale distributor Proposer. Any such dealer will be considered a sub-contractor of the Proposer/Vendor. The relationship between the Manufacturer and wholesale distributor Proposer and its Dealer Network may be proposed at the time of the proposed submission if that fact is properly identified.

1.26 Dealer/Re-seller as a Proposer: If the Proposer is a dealer or re-seller of the products and/or services being proposed, the response will be evaluated based on the Proposer's authorization to provide those products and services from their manufacturer. Where appropriate, Proposers must document their authority to offer those products and/or services.

1.27 Contract Term: At NJPA's option a contract resulting from this RFP will become effective either; 1) The date awarded by the NJPA Board of Directors, or 2) The day following the expiration date of an existing NJPA procurement contract for the same or similar product/equipment and services.

1.27.1 NJPA is seeking a Contract base term of four years as allowed by Minnesota Contracting Law. Full term is expected. One additional one-year renewal-extension may be offered by NJPA to Vendor beyond the original four year term if NJPA deems such action to be in the best interests of NJPA and its Members. NJPA reserves the right to conduct periodic business reviews throughout the term of the contract.

1.28 Minimum Contract Value: NJPA anticipates considerable activity resulting from this RFP and subsequent award; however, no commitment of any kind is made concerning actual quantities to be acquired. NJPA does not guarantee usage. Usage will depend on the actual needs of the NJPA Members and the value of the awarded contract.

1.29 Estimated Contract Volume: Estimated quantities and sales volume are based on potential usage by NJPA and NJPA Member agencies nationally.

1.30 Largest Possible Solution: If applicable, Contracts will be awarded to Proposer(s) able to deliver a proposal meeting the entire needs of NJPA and its Members within the scope of this RFP. NJPA prefers Proposers submit their complete product line of products and services described in the scope of this RFP. NJPA reserves the right to reject individual, or groupings of specific equipment/products and services proposals as a part of the award.

1.31 Contract Availability: This Contract must be available to all current and potential NJPA Members who choose to utilize this NJPA Contract to include all governmental and public agencies, public and private primary and secondary education agencies, and all non-profit organizations nationally.

1.32 Proposer's Commitment Period: In order to allow NJPA the opportunity to evaluate each proposal thoroughly, NJPA requires any response to this solicitation be valid and irrevocable for ninety (90) days after the date proposals were opened regarding this RFP.

F. EXPECTATIONS FOR EQUIPMENT/PRODUCTS AND SERVICES BEING PROPOSED

1.33 Industry Standards: Except as contained herein, the specifications or solutions for this RFP shall be those accepted guidelines set forth by the **SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES** industry, as they are generally understood and accepted within that industry across the nation. Submitted products/equipment, related services, and their warranties and assurances are required to meet and/or exceed all current, traditional and anticipated needs and requirements of NJPA and its Members.

1.33.1 Deviations from industry standards must be identified by the Proposer and explained how, in their opinion, the equipment/products and services they propose will render equivalent functionality, coverage, performance, and/or related services. Failure to detail all such deviations may comprise sufficient grounds for rejection of the entire proposal.

1.33.2 Technical Descriptions/Specifications. Proposers must supply sufficient information to:

- Demonstrate the Proposer's knowledge of industry standards, and
- Identify the equipment/products and services being proposed, and
- Differentiate those products and services from others.

Excessive technical descriptions and specifications which, in the opinion of NJPA unduly enlarge the proposal response may reduce evaluation points awarded on Form G.

1.34 Important note: NJPA does not typically provide product and service specifications; rather NJPA is requesting an industry standard or accepted specification for the requested product/equipment and services. Where specific line items are specified, those line items should be considered the minimum which can be expanded by the Proposer to deliver the Proposer's "Solution" to NJPA and NJPA Members' needs.

1.35 Commonly used Product/Equipment and Services: It is important that the equipment/products and services submitted are the equipment/products and services commonly used by public sector entities.

1.36 New Current Model Product/Equipment: Proposals submitted shall be for new, current model products and services with the exception of certain close-out products allowed to be offered on the Proposer's "Hot List" described herein.

1.37 Compliance with laws and standards: All items supplied on this Contract shall comply with any current applicable safety or regulatory standards or codes.

1.38 Delivered and operational; Products/equipment offered herein are to be proposed based upon being delivered and operational at the NJPA Member's site. Exceptions to "delivered and operational" must be explicitly disclosed in the "Total Cost of Acquisition" section of your proposal response.

1.39 Warranty: The Proposer warrants that all products, equipment, supplies, and services delivered under this Contract shall be covered by the industry standard or better warranty. All products and equipment should carry a minimum industry standard manufacturer's warranty that includes materials and labor. The Proposer has the primary responsibility to submit product specific warranty as required and accepted by industry standards. Dealer/Distributors agree to assist the purchaser in reaching a solution in a dispute over warranty's terms with the manufacturer. Any manufacturer's warranty which is effective past the expiration of the warranty will be passed on to the NJPA member. Failure to submit a minimum warranty may result in non-award.

1.40 Proposer's Warrants: The Proposer warrants all products/equipment and related services furnished hereunder will be free from liens and encumbrances; defects in design, materials, and workmanship; and will conform in all respects to the terms of this RFP including any specifications or standards. In addition, Proposer/Vendor warrants the products/equipment and related services are suitable for and will perform in accordance with the purposes for which they were intended.

G. SOLUTIONS BASED SOLICITATION

1.41 NJPA solicitations and contract process will not offer specific specifications for proposers to meet or base your response on. This RFP is a "Solutions Based Solicitation." This means the proposers are asked to understand and anticipate the current and future needs of NJPA and the nationally located NJPA membership base, within the scope of this RFP, and including specifications commonly desired or required by law or industry standards. Your proposal will be evaluated in part on your demonstrated ability to meet or exceed the needs and requirements of NJPA and our member agencies within the defined scope of this RFP.

H. INQUIRY PERIOD

1.42 The inquiry period shall begin at the date of first advertisement and continue to the "Deadline for Requests." RFP packages shall be distributed to Potential Bidders during the inquiry period. The purpose for the defined "Inquiry Period" is to ensure proposers have enough time to complete and deliver the proposal to our office.

I. PRE-PROPOSAL CONFERENCE

1.43 Potential Proposers inquiring before the optional "Pre-Proposal Conference" will be invited via the e-mail address used to make their inquiry. The purpose of the pre-proposal conference is to allow Potential Proposers to ask questions and hear answers from their own questions and the questions of other Potential Proposers.

2. DEFINITIONS

A. PROPOSER - VENDOR

2.1 Exclusive Vendor- A sole Vendor awarded in a product category. NJPA reserves the right to award to an Exclusive Vendor in the event that such an award is in the best interests of NJPA Members nationally. A Proposer that exhibits and demonstrates the ability to offer and execute an outstanding overall program, demonstrates the ability and willingness to serve NJPA current and qualifying Members in all 50 states and comply with all other requirements of this RFP, is preferred.

2.2 Potential Proposer- A person or entity requesting a copy of this RFP.

2.3 Proposer- A company, person, or entity delivering a timely response to this RFP.

2.4 Vendor- One of a number of Proposers whose proposal has been awarded a contract pursuant to this RFP.

2.5 Request for Proposal- Herein referred to as RFP.

B. CONTRACT

2.6 “Contract” as used herein shall mean this RFP, pricing, and fully executed forms P, C, D and E (“Acceptance and Award”) with final terms and conditions. Form E will be executed on or after award and will provide final clarification of terms and conditions of the award.

C. TIME

2.7 Periods of time, stated as number of days, shall be in calendar days.

D. PROPOSER’S RESPONSE

2.8 A Proposer’s Response is the entire collection of documents as they are received by NJPA from a Potential Proposer in response to this RFP.

E. CURRENCY

2.9 All transactions are payable in U.S. dollars on U.S. sales. All administrative fees are to be paid in U.S. dollars.

F. FOB

2.10 FOB stands for “Freight On Board” and defines the point at which responsibility for loss and damage of product/equipment purchased is transferred from Seller to Buyer. “FOB Destination” defines that transfer of responsibility for loss is transferred from Seller to Buyer at the Buyer’s designated delivery point.

2.11 FOB does not identify who is responsible for the costs of shipping. The responsibility for the costs of shipping is addressed elsewhere in this document.

3. INSTRUCTIONS FOR PREPARING YOUR PROPOSAL

A. PRE-PROPOSAL CONFERENCE

3.1 A non-mandatory pre-proposal conference will be held at the date and time specified in the time line on page one of this RFP. Conference call and web connection information will be sent to all Potential Proposers through the same means employed in their inquiry. The purpose of this conference call is to allow Potential Proposers to ask questions regarding this RFP. Only answers issued in writing by NJPA to questions asked before or during the Pre-proposal Conference shall be considered binding.

B. IDENTIFICATION OF KEY PERSONNEL

3.2 Vendor will designate one senior staff individual who will represent the awarded Vendor to NJPA. This contact person will correspond with members for technical assistance, questions or problems that may arise including instructions regarding different contacts for different geographical areas as needed.

3.3 Individuals should also be identified (if applicable) as the primary contacts for the contents of this proposal, marketing, sales, and any other area deemed essential by the Proposer.

C. PROPOSER'S EXCEPTIONS TO TERMS AND CONDITIONS

3.4 Any exceptions, deviations, or contingencies a Proposer may have to the terms and conditions contained herein must be documented on Form C.

3.5 Exceptions, deviations or contingencies stipulated in Proposer's Response, while possibly necessary in the view of the Proposer, may result in disqualification of a Proposal Response.

D. FORMAL INSTRUCTIONS TO PROPOSERS

3.6 It is the responsibility of all Proposers to examine the entire RFP package, to seek clarification of any item or requirement that may not be clear and to check all responses for accuracy before submitting a Proposal. Negligence in preparing a Proposal confers no right of withdrawal after the deadline for submission of proposals.

3.7 All proposals must be sent to "The National Joint Powers Alliance®, 202 12th ST NE Staples, MN 56479."

3.8 Format for proposal response: All proposals must be physically delivered to NJPA at the above address in the following format:

3.8.1 Hard copy original signed, completed, and dated forms C,D,F, and hard copy signed signature page only from forms A and P from this RFP,

3.8.2 Hard copies of all addenda issued for the RFP with original counter signed by the Proposer,

3.8.3 Certificate of insurance verifying the coverage identified in this RFP,

3.8.4 A complete copy of your response on a CD (Compact Disc) or flash drive. The copy shall contain completed Forms A,B,C,D,F & P, your statement of products and pricing (including apparent discount) together with all appropriate attachments. Everything you send with your hard copy should also be included in the electronic copy. As a public agency, NJPA proposals, responses and awarded contracts are a matter of public record, except for that data included in the proposals, responses and awarded contracts that is classified as nonpublic; thus, pursuant to NJPA policies and RFP terms and conditions, all documentation, except for that data which is nonpublic is available for review by the public through a public records request. If you wish to request that certain information that falls within Minnesota Statute §13.37 be redacted, such request must be made within thirty-days of award/non-award.

3.9 All Proposal forms must be submitted in English and be legible. All appropriate forms must be executed by an authorized signatory of the Proposer. Blue ink is preferred for signatures.

3.10 Proposal submissions should be submitted using the electronic forms provided. If a Proposer chooses to use alternative documents for their response, the proposer will be responsible for ensuring the content is effectively equal to the NJPA form and the document is in a format readable by NJPA.

3.11 It is the responsibility of the Proposer to be certain the proposal submittal is in the physical possession of NJPA on or prior to the deadline for submission of proposals.

3.11.1 Proposals must be submitted in a sealed envelope or box properly addressed to NJPA and prominently identifying the proposal number, proposal category name, the message **“Hold for Proposal Opening”**, and the deadline for proposal submission. NJPA cannot be responsible for late receipt of proposals. Proposals received by the correct deadline for proposal submission will be opened and the name of each Proposer and other appropriate information will be publicly read.

3.12 Corrections, erasures, and interlineations on a Proposer’s Response must be initialed by the authorized signer in original ink on all copies to be considered.

3.13 Addendums to the RFP: The Proposer is responsible for ensuring receipt of all addendums to this RFP.

3.13.1 Proposer’s are responsible for checking directly with the NJPA website for addendums to this RFP.

3.13.2 Addendums to this RFP can change terms and conditions of the RFP including the deadline for submission of proposals.

E. QUESTIONS AND ANSWERS ABOUT THIS RFP

3.14 Upon examination of this RFP document, Proposer shall promptly notify the NJPA of any ambiguity, inconsistency, or error they may discover. Interpretations, corrections and changes to this RFP will be made by NJPA through addendum. Interpretations, corrections, or changes made in any other manner will not be binding and Proposer shall not rely upon such.

3.15 Submit all questions about this RFP, in writing, referencing **“SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES** to Maureen Knight, NJPA 202 12th Street NE, Staples, MN 56479 or RFP@njpacoop.org. Those not having access to the Internet may call Maureen Knight at (218) 895-4114. Requests for additional information or interpretation of instructions to Proposers or technical specifications shall also be addressed to Maureen Knight. NJPA urges Potential Proposers to communicate all concerns well in advance of the deadline to avoid misunderstandings. Questions received less than seven (7) days ending at 4:00 p.m. Central Time of the seventh (7th) calendar day prior to proposal due-date cannot be answered.

3.16 If the answer to a question is deemed by NJPA to have a material impact on other potential proposers or the RFP itself, the answer to the question will become an addendum to this RFP.

3.17 If the answer to a question is deemed by NJPA to be a clarification of existing terms and conditions and does not have a material impact on other potential proposers or the RFP itself, no further documentation of that question is required.

3.18 As used in this solicitation, clarification means communication with a Potential Proposer for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the RFP.

3.19 Addenda are written instruments issued by NJPA that modify or interpret the RFP. All addenda issued by NJPA shall become a part of the RFP. Addenda will be delivered to all Potential Proposers using the same method of delivery of the original RFP material. NJPA accepts no liability in connection with the delivery of said materials. Copies of addenda will also be made available on the NJPA website at www.njpacoop.org by clicking on “Current and Pending Solicitations” and from the NJPA offices. No questions will be accepted by NJPA later than seven (7) days prior to the deadline for receipt of proposals, except an addendum withdrawing the request for proposals or one that includes postponement of the date of receipt of proposals. Each Potential Proposer shall ascertain prior to submitting a Proposal

that it has received all addenda issued, and the Proposer shall acknowledge their receipt in its Proposal Response.

3.20 An amendment to a submitted proposal must be in writing and delivered to NJPA no later than the time specified for opening of all proposals.

F. MODIFICATION OR WITHDRAWAL OF A SUBMITTED PROPOSAL

3.21 A submitted proposal may not be modified, withdrawn from or cancelled by the Proposer for a period of ninety (90) days following the date proposals were opened regarding this RFP. **Prior** to the deadline for submission of proposals, any proposal submitted may be modified or withdrawn by notice to the NJPA Manager of Bids and Contracts. Such notice shall be submitted in writing and include the signature of the Proposer and shall be delivered to NJPA prior to the deadline for submission of proposals and it shall be so worded as not to reveal the content of the original proposal. However, the original proposal shall not be physically returned to the Potential Proposer until after the official proposal opening. Withdrawn proposals may be resubmitted up to the time designated for the receipt of the proposals if they are then fully in conformance with the Instructions to Proposer.

G. VALUE ADDED ATTRIBUTES, PRODUCTS/SERVICES

3.22 Examples of Value Added Attributes: Value-Added attributes, products and services are items offered in addition to the products and services being proposed which adds value to those items being proposed. The availability of a contract for maintenance or service after the initial sale, installation, and set-up may, for instance, be “Value Added Services” for products where a typical buyer may not have the ability to perform these functions.

3.23 Where to document Value Added Attributes: The opportunity to indicate value added dimensions and such advancements will be available in the Proposer’s Questionnaire and Proposer’s product and service submittal.

3.24 Value added equipment/products and services and expanded services, as they relate to this RFP, will be given positive consideration in the award selection. Consideration will be given to an expanded selection of “SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES”, and advances to provide products/services, supplies meeting and/or exceeding today’s industry standards and expectations. A value add would include a program or service that further serves the members needs above and possibly beyond standard expectation and complements the equipment/products and services and training. Value added could include areas of product and service, sales, ordering, delivery, performance, maintenance, technology, and service that furthers the functionality and effectiveness of the procurement process while remaining within the scope of this RFP.

3.25 Minority, Small Business, and Women Business Enterprise (WMBE) participation: It is the policy of some NJPA Members to involve Minority, Small Business, and WMBE contractors in the process to purchase product/equipment and related services. Vendors should document WMBE status for their organization AND any such status of their affiliates (i.e. Supplier networks) involved in carrying out the activities invited. The ability of a Proposer to provide “Credits” to NJPA and NJPA Members in these subject areas, either individually or through related entities involved in the transaction, will be evaluated positively by NJPA and reflected in the “value added” area of the evaluation. NJPA is committed to facilitating the realization of such “Credits” through certain structuring techniques for transactions resulting from this RFP.

3.26 Environmentally Preferred Purchasing Opportunities: There is a growing trend among NJPA

Members to consider the environmental impact of the equipment/products and related services they purchase. "Green" characteristics demonstrated by responding companies will be evaluated positively by NJPA and reflected in the "value added" area of the evaluation. Please identify any Green characteristics of the product/equipment and related services in your proposal and identify the sanctioning body determining that characteristic. Where appropriate, please indicate which products have been certified as "green" and by which certifying agency.

3.27 On-Line Requisitioning systems: When applicable, on-line requisitioning systems will be viewed as a value-added characteristic. Proposer shall include documentation about user interfaces that make on-line ordering easy for NJPA Members as well as the ability to punch-out from mainstream e-Procurement or Enterprise Resource Planning (ERP) systems that NJPA Members may currently utilize.

3.28 Financing: The ability of the Proposer to provide financing options for the products and services being proposed will be viewed as a Value Added Attribute.

H. CERTIFICATE OF INSURANCE

3.29 Vendors shall provide evidence of liability insurance coverage identified below in the form of an ACCORD binder form with their proposal. Upon Award issued pursuant to this contract, and prior to the execution of any commerce relating to such award, Vendor will be responsible for providing verification, in the form of an ACCORD binder identifying the coverage required below and identifying NJPA as a "Certificate Holder." Vendor will be responsible to maintain such insurance coverage at their own expense throughout the term of any contract resulting from this solicitation.

3.30 Any exceptions and/or assumptions to the insurance requirements *must* be identified on **Attachment C**. Exceptions and/or assumptions will be taken into consideration as part of the evaluation process; however, vendors must be specific. If vendors do not specify any exceptions and/or assumptions at time of proposal submission, NJPA will not consider any additional exceptions and/or assumptions during negotiations. Upon contract award, the successful vendor *must* provide the Certificate of Insurance identifying the coverage as specified.

3.31 The awarded vendor must maintain, for the duration of its contract, \$1.5 million in General Liability insurance coverage or General Liability insurance in conjunction with an Umbrella for a total combined coverage of \$1.5 million. Work on the contract shall not begin until after the awarded vendor has submitted acceptable evidence of the required insurance coverage. Failure to maintain any required insurance coverage or acceptable alternative method of insurance will be deemed a breach of contract.

MINIMUM SCOPE AND LIMITS OF INSURANCE: Vendor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability and XCU coverage.

Each Occurrence

\$1,500,000

3.32 The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. NJPA in no way warrants that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the performance of the work under this Contract by the Vendor, his agents, representatives, employees or subcontractors and Vendor is free to purchase additional insurance as may be determined necessary.

3.33 Acceptability of Insurers: Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Minnesota and with an “A.M. Best” rating of not less than A- VII. NJPA in no way warrants that the above required minimum insurer rating is sufficient to protect the Vendor from potential insurer solvency.

3.34 Subcontractors: Vendors’ certificate(s) shall include all subcontractors as additional insureds under its policies **or** Vendor shall furnish to NJPA separate certificates for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.

I. ORDER PROCESS AND/OR FUNDS FLOW

3.32 Please propose an order process and funds flow. Please choose from one of the following:

3.32.1 B-TO-G: The Business-to-Government order process and/or funds flow model involves NJPA Members issuing Purchase Orders directly to a Vendor and pursuant to a Contract resulting from this RFP. Administrative fees may also be used for purposes as allowed by Minnesota State Law and approved by the Board of Directors.

3.32.3 Other: Please fully identify.

J. ADMINISTRATIVE FEES

3.33 Proposer agrees to authorize and/or allow for an administrative fee payable to NJPA by an Awarded Vendor in exchange for its facilitation and marketing of a Contract resulting from this RFP to current and potential NJPA Members. This Administration Fee shall be:

3.33.1 Calculated as a percentage of the dollar volume of all equipment/products and services provided to and purchased by NJPA Members or calculated as reasonable and acceptable method applicable to the contracted transaction, and

3.33.2 Included in, and not added to, the pricing included in Proposer’s Response to this RFP, and

3.33.3 Designed to offset the anticipated costs of NJPA’s involvement in contract management, facilitating marketing efforts, Vendor training, and any order processing tasks relating to the Contract resulting from this RFP. Administrative fees may also be used for other purposes as allowed by Minnesota law. Administrative fees may also be used for other purposes as allowed by Minnesota law.

3.33.3.1 Typical administrative fees for a B-TO-G order process and funds flow is 2.0%.

3.34 The opportunity to propose these factors and an appropriate administrative fee is available in the Proposer’s Questionnaire.

4. PRICING STRATEGIES

4.1 NJPA requests Potential Proposers respond to this RFP only if they are able to offer a wide array of equipment/products and services and at prices lower and better value than what they would ordinarily offer to single government agency, larger school district, or regional cooperative.

4.2 RFP is an “Indefinite Quantity Product/Equipment and Related Service Price and Program Request” with potential national sales distribution and service. Proposers are agreeing to fulfill Contract obligations regarding each product/equipment to which you provide a description and a price. If Proposer’s solution requires additional supporting documentation, describe where it can be found in your submission. If Proposer offers the solution in an alternative fashion, describe your solution to be easily understood. All pricing must be copied on a CD along with other requested information as a part of a Proposer’s

Response.

4.3 Regardless of the payment method selected by NJPA or NJPA Member, a total cost associated with any purchase option of the equipment/products and services and being supplied must always be disclosed at the time of purchase.

4.4 Primary Pricing/Secondary Pricing Strategies- All Proposers will be required to submit “Primary Pricing” in the form of either “Line-Item Pricing,” or “Percentage Discount from Catalog Pricing,” or a combination of these pricing strategies. Proposers are also encouraged to offer OPTIONAL pricing strategies such as but not limited to “Hot List,” “Sourced Product/Equipment” and “Volume Discounts,” as well as financing options such as leasing.

A. LINE-ITEM PRICING

4.5 Line-Item pricing- A pricing format where specific individual products and/or services are offered at specific individual Contract prices. Products/equipment and/or related services are individually priced and described by characteristics such as manufacture name, stock or part number, size, or functionality. This method of pricing offers the least amount of confusion as products/equipment and prices are individually identified however, Proposers with a large number of products/equipment to propose may find this method cumbersome. In these situations, a percentage discount from catalog or category pricing model may make more sense and increase the clarity of the contract pricing format.

4.6 All Line-Item Pricing items must be numbered, organized, sectioned, including SKU’s (when applicable) and easily understood by the Evaluation Committee and members.

4.7 Line-Item Pricing items are to be submitted in an Excel spreadsheet format provided and are to include all appropriate identification information necessary to discern the line item from other line items in each Responder’s proposal.

4.8 The purpose for the excel spreadsheet format for Line-Item Pricing is to be able to use the “Find” function to quickly find any particular item of interest. For that reason, Proposers are responsible for providing the appropriate product and service identification information along with the pricing information which is typically found on an invoice or price quote for such products/equipment and related services.

4.9 All products/equipment and related services typically appearing on an invoice or price quote must be individually priced and identified on the line-item price sheet, including any and all ancillary costs.

4.10 Proposers are asked to provide both a published “List” price as well as a “Proposed Contract Price” in their pricing matrix. “The published List” price will be the standard “quantity of one” price currently available to government and educational customers excluding cooperative and volume discounts.

B. PERCENTAGE DISCOUNT FROM CATALOG OR CATEGORY

4.11 Percent Discount From Catalog, list or Category Pricing- A specific percentage discount from a “Catalogue or List Price” defined as a published Manufacturer’s Suggested Retail Price (MSRP) for the products/equipment or related services being proposed.

4.12 Individualized percentage discounts can be applied to any number of defined product groupings.

4.13 A Percentage Discount from MSRP may be applied to all elements identified in MSRP including all Manufacturer Options applicable to the product/equipment or related service.

4.14 Accessory options requested by the customer and related to the general scope of this RFP but are not under the current contract will be priced using a “Sourced Product/equipment pricing model” as

defined herein. See Section F

4.15 When a Proposer elects to use “Percentage Discount from Catalog or Category,” Proposer will be responsible for providing and maintaining current published “MSRP” with NJPA and must be included in their proposal and provided throughout the term of any Contract resulting from this RFP.

4.16 NJPA reserves the right to review catalogs submitted to determine if the represented products and services reflect and relate to the scope of this RFP. Each new catalog received may have the effect of adding new product offerings and deleting products no longer carried by the Vendor. New catalogs shall apply to the Contract only upon approval of the NJPA. Non-approved use of catalogs may result in termination for convenience. New price lists or catalogs found to be offering non-contract items during the Contract may be grounds for terminating the Contract for convenience. New optional accessories for product/equipment and related services may be added to the Contract through the NJPA approval process at the time they become available.

C. HOT LIST PRICING

4.17 Where applicable, NJPA also invites the Vendor, at their option, to offer a specific selection of products/services, defined as a Hot List selection offer pricing at greater discounts or related advantages than those listed in the standard Contract pricing. All product/service pricing, including the Hot List Pricing, must be submitted electronically provided in Excel format. Hot List pricing must be submitted in a Line-Item format. Providing or offering a “Hot List Selection” of equipment/products and related services is optional. Equipment/products and related services may be added or removed from the “Hot List” at any time.

4.18 Hot List program and pricing when applicable may also be used to discount and liquidate close-out and discontinued equipment/products and related services as long as those close-out and discontinued items are clearly labeled as such. Current ordering process and administrative fees apply. This option must be published and made available to all NJPA Members.

4.19 Hot List Program and Pricing is allowed to change at the discretion of the Vendor within the definition of Hot List Pricing. The Vendor is responsible to maintain current Hot List product/equipment and related service descriptions and Pricing with NJPA.

D. CEILING PRICE

4.20 Proposal pricing is to be established as a ceiling price. At no time may the proposed equipment/products and related services be offered pursuant to this Contract at prices above this ceiling price without request and approval by NJPA. **IMPORTANT NOTE:** Contract prices may be reduced to allow for volume considerations and commitments and to meet the specific and unique needs of an NJPA Member.

4.21 Allowable specific needs may include competitive situations, certain purchase volume commitments or the creation of custom programs based on the individual needs of NJPA Members.

E. VOLUME PRICE DISCOUNTS

4.22 Proposers are free to offer volume commitment discounts from the contract pricing documented in a Contract resulting from this RFP. Volume considerations shall be determined between the Vendor and individual NJPA Members on a case-by-case basis.

4.23 Nothing in this Contract establishes a favored member relationship between the NJPA or any NJPA Member and the Vendor. The Vendor will, upon request by NJPA Member, extend this same reduced price offered or delivered to another NJPA Member provided the same or similar volume commitment, specific needs, terms, and conditions, a similar time frame, seasonal considerations, locations,

competitively situations and provided the same manufacturer support is available to the Vendor.

4.24 All price adjustments are to be offered equally to all NJPA Members exhibiting the same or substantially similar characteristics such as purchase volume commitments, and timing including the availability of special pricing from the Vendor's suppliers.

4.25 Additional Quantities:

4.25.1 The contract awarded vendor will accept orders for additional quantities at the same prices, terms and conditions, providing the NJPA Member exercises the option before a specific date, mutually agreed upon between member and contract awarded vendor at time of original purchase order.

4.25.2 Any extension(s) of pricing beyond the specific date shall be upon mutual consent between the NJPA Member and the contract awarded vendor.

F. SOURCED PRODUCT/EQUIPMENT /OPEN MARKET ITEMS

4.26 NJPA or NJPA Members may from time to time, request product/equipment and/or equipment/products and related services that are within the related scope of this RFP, which are not included in an awarded Vendor's line-item product/equipment and related service listing or "list or catalog." These items are known as Sourced Product/Equipment or Open Market Items.

4.27 An awarded Vendor resulting from this RFP may "Source" equipment/products and related services for NJPA or an NJPA Member to the extent they:

4.27.1 Identify all such equipment, products and services as "Sources Product/Equipment " or "Open Market Items" on any quotation issued in reference to an NJPA awarded contract, and provided to either NJPA or an NJPA Member, and

4.27.2 All applicable acquisition regulations pertaining to the purchase of such equipment, products and services have been followed, as defined by NJPA or the NJPA Member receiving quotation from Vendor, and

4.27.3 NJPA or the NJPA Member has determined the prices as quoted by Vendor for such equipment, products and services are deemed to be fair and reasonable and are acceptable to the member.

G. COST PLUS A PERCENTAGE OF COST

4.28 Cost plus a percentage of cost as a primary pricing mechanism is not desirable.

H. TOTAL COST OF ACQUISITION

4.29 The Total Cost of Acquisition for the equipment/products and related services being proposed, including those payable by NJPA Members to either the Proposer or a third party, shall be defined as:

- The cost of the proposed equipment/products product/equipment and related services delivered and operational for its intended purpose in the end-user's location.

4.30 For example, if you are proposing equipment/products only (IE, FOB Proposer's dock) your proposal would identify your deviation from the "Total Cost of Acquisition" of contracted equipment/products. The "Proposal should reflect that the contract does not provide for delivery beyond

Proposer's dock, nor any set-up activities or costs associated with those delivery or set-up activities." In contrast, proposed terms including all costs for product/equipment and services delivered and operational at to the end-user's location would require a disclosure of "None."

I. REQUESTING PRODUCT/EQUIPMENT AND RELATED SERVICE ADDITIONS/DELETIONS

4.31 Requests for product/equipment and related services, price changes, additions, deletions, or any related contract changes must be made in written form and shall be subject to approval by NJPA.

4.32 New equipment/products and related services may be added to a Contract resulting from this RFP at any time during that Contract to the extent those equipment/products and related services are within the scope of this RFP. Those requests are subject to review and approval of NJPA. Allowable new equipment/products and related services generally include new updated models of equipment/products and related services and or enhanced services previously offered which could reflect new technology and improved functionality.

4.33 Proposers representing multiple manufacturers, or carrying multiple related product lines may also request the addition of new manufacturers or product lines to their Contract to the extent they remain within the scope of this RFP.

4.34 NJPA's due diligence in analyzing any request for change is to determine if approval of the request is 1) within the scope of the original RFP, and 2) in the "Best Interests of NJPA and NJPA Members." We are looking for consistent pricing and delivery mechanisms and an understanding of what value the proposal brings to NJPA and NJPA Members.

4.35 Documenting the "Best Interests of NJPA and NJPA Members" when outdated equipment is being deleted is fairly straight forward since the product is no longer available and not relevant to the procurement Contract.

4.36 Requests must be in the form of 1) an NJPA Vendor Price and Product Change Request Form which includes a request to add the product/equipment line, a general statement identifying how the products to be added are within the scope of the original RFP, and making a general statement identifying that, if appropriate, the pricing is consistent with the existing Contract pricing. Further, provide detail as to what is being added at what price in the request form. Pending approval of your request by NJPA you will need to provide a complete re-statement of all pricing including all new prices/products AND existing prices and products/equipment.

4.37 NJPA's intent is to encourage Proposers to provide and document NJPA's due diligence in a clear and concise one page format on which we can approve and sign our acknowledgment and acceptance. This information must ultimately come from Proposers, and NJPA is requiring it in this format.

J. REQUESTING PRICING CHANGES

4.38 Price Decreases: Requests for standard Contract price decrease adjustments (percentage discount increases) are encouraged and will be allowed at any time based on market place efficiencies, market place competitiveness, improved technologies and/or improved methods of delivery or if Vendor engages in innovative procurement practices such as strategic sourcing, aggregate and volume purchasing. NJPA expects Vendors to propose their very best prices and anticipates price reductions due to the advancement of technologies and market place efficiencies. Documenting the "Best Interests of NJPA and NJPA Members" is highly valued when we are documenting price reductions.

4.39 Price increases: Requests for standard contract price increases (or the inclusion of new generation products/equipment/services at higher prices) can be made at any time. These requests will again be evaluated by NJPA based on the best interests of NJPA and NJPA Members. As an example, typically

acceptable requests for price increases for existing equipment/products and services may cite increases to the Vendor of input costs such as petroleum or other applicable commodities. Typically acceptable requests for price increases for new equipment/products and services enhance or improve on the current solutions currently offered as well as cite increases in utility of the new compared to the old. Vendors are requested to reasonably document the claims cited in their requests. Your written request for a price increase, therefore, is an exercise in describing what you need, and a justification for why you need it in sufficient detail for NJPA to deem such change to be in the best interests of ourselves and our Members.

4.40 Price Change Request Format: An awarded Proposer will use the format of a NJPA Vendor Price and Product Change Request Form to request price increases in general terms (a 5% increase in product line X) and stating their justification for that price increase (due to the recent increase in petroleum or raw material costs) by product category. Specific details for the requested price change must be attached to the request letter identifying product/services where appropriate, both current and proposed pricing. Attachments such as letters from suppliers announcing price increases are appropriate for documenting your requests here.

K. PRICE AND PRODUCT CHANGES FORMAT

4.41 All price and product change requests must be submitted using the **NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM** found at the very end of this solicitation. NJPA's due diligence regarding product and price change requests is to consider the reasonableness of the request and document consideration on behalf of our members. Submit the following documentation to request a pricing change:

4.41.1 An excel spreadsheet identifying all equipment/products and services being offered and their pricing. Each subsequent pricing update will be saved using the naming convention of "(Vendor Name) pricing effective XX/XX/XXXX."

- a. Include all equipment/products and services regardless of whether their prices have changed. By observing this convention we will:
 - i. Reduce confusion by providing a single, easy to find, current pricing sheet for each Vendor.
 - ii. Create a historical record of pricing."

L. SINGLE STATEMENT OF PRICING/HISTORICAL RECORD OF PRICING

4.42 Initially; and again with each request for product addition, deletion, and/or pricing change; you must state all pricing for all equipment/products and services available. The request for price changes described above will serve as the documentation for those requested changes. Each complete pricing list will be identified by its "Effective Date." Each successive price listing identified by its "Effective Date" will create a "Product and Price History" for the Contract.

4.43 Proposers may use the multiple tabs available in an Excel workbook to separately list logical product groupings or to separately list product and service pricing as they see fit.

4.44 All equipment/products and services together with their pricing, whether changed within the request or remaining unchanged, will be stated on each "Pricing" sheet created as a result of each request for product, service, or pricing change.

4.45 Each subsequent "Single Statement of Product and Pricing" will be archived by its effective date therefore creating a product and price history for any Contract resulting from this RFP. Proposers are required to create a historical record of pricing annually by submitting updated pricing referred to as a "Single Statement of Product/Equipment and Related Services Contract Price Update". This pricing update is required at a minimum of once per contract year.

M. PAYMENT TERMS

4.46 Payment terms will be defined by the Proposer in the Proposer's Response. Proposers are encouraged to offer payment terms through P Card services if applicable to the customary method of procurement relating to the contracted product/equipment and related services.

4.47 Leasing- If available, identify any leasing programs available to NJPA and NJPA Members as part of your proposal. Proposers should submit an example of the lease agreement to be used. Proposers should identify:

- General leasing terms such as:
 - The percentage adjustment over/under an index rate used in calculating the internal rate of return for the lease; and
 - The index rate being adjusted; and
 - The "Purchase Option" at lease maturity (\$1, or fair market value); and
 - The available term in months of lease(s) available.
- Leasing company information such as:
 - The name and address of the leasing company; and
 - Any ownership, common ownership, or control between the Proposer and the Leasing Company.

N. SALES TAX

4.48 Sales and other taxes, where applicable, shall not be included in the prices quoted. Vendor will charge state and local sales and other taxes on items for which a valid tax exemption certification has not been provided. Each NJPA Member is responsible for providing verification of tax exempt status to Vendor. When ordering, if applicable, NJPA Members must indicate that they are tax exempt entities. Except as set forth herein, no party shall be responsible for taxes imposed on another party as a result of or arising from the transactions contemplated by a Contract resulting from this RFP.

O. SHIPPING AND SHIPPING PROGRAM

4.49 Shipping program for material only proposals, or sections of proposals, must be defined as a part of the cost of product/equipment. If shipping is charged to NJPA or NJPA Member, only the actual cost of delivery may be added to an invoice. Shipping charges calculated as a percentage of the product price may not be used, unless such charges are lower than actual delivery charges. No COD orders will be accepted. It is desired that delivery be made within ninety-days (90) of receipt of the Purchase Order. See "The Total Cost of Acquisition" for the equipment/products and related services.

4.50 Any shipping cost charged to NJPA or NJPA Members will be considered to be part of "proposal pricing."

4.51 Additional costs for expedited deliveries will be at the additional shipping or handling expense to the NJPA Member.

4.52 Selection of a carrier for shipment will be the option of the party paying for said shipping. Use of another carrier will be at the expense of the requester.

4.53 Proposers must define their shipping programs for Alaska and Hawaii and any location not served by conventional shipping services. Over-size and over-weight items and shipments may be subject to custom freight programs.

4.54 Proposals containing restocking fees are less advantageous than those not containing re-stocking fees. That being said, certain industries cannot avoid restocking fees. Certain industries providing made to order product/equipment may not allow returns. With regard to returns and restocking fees, Proposers will be evaluated based on the relative flexibility extended to NJPA and NJPA Members relating to those subjects. Where used, restocking fees in excess of 15% will be considered excessive. Restocking fees may

be waived, at the option of the Proposer/Vendor. Indicate all shipping and re-stocking fees in price program.

4.55 Proposer agrees shipping errors will be at the expense of the Vendor. For example, if a Vendor ships a product that was not ordered by the member, it is the responsibility of the Vendor to pay for return mail or shipment at the convenience of the member.

4.56 Unless specifically stated otherwise in the "Shipping Program" of a Proposer's Response, all prices quoted must be F.O.B. destination with the freight prepaid by the Vendor. Delivery effectiveness is very important aspect of this Contract. If completed deliveries are not made at the time agreed, NJPA or NJPA Member reserves the right to cancel and purchase elsewhere and hold Vendor accountable. If delivery dates cannot be met, Vendor agrees to advise NJPA or NJPA Member of the earliest possible shipping date for acceptance by NJPA or NJPA Member.

4.57 Delivered products/equipment must be properly packaged. Damaged products/equipment will not be accepted, or if the damage is not readily apparent at the time of delivery, the products/equipment product/equipment shall be returned at no cost to NJPA or NJPA Member. NJPA and NJPA Members reserve the right to inspect the product/equipment at a reasonable time subsequent to delivery where circumstances or conditions prevent effective inspection of the product/equipment at the time of delivery.

4.58 Vendor shall deliver Contract conforming products/equipment in each shipment and may not substitute products/equipment without approval from NJPA Member.

4.59 NJPA reserves the right to declare a breach of Contract if the Vendor intentionally delivers substandard or inferior products/equipment which are not under Contract and described in its paper or electronic price lists or sourced upon request to any member under this Contract. In the event of the delivery of a non-conforming product/equipment, NJPA Member will immediately notify Vendor and the Vendor will replace non-conforming product/equipment with conforming product/equipment acceptable to the NJPA member.

4.60 Throughout the term of the Contract, Proposer agrees to pay for return shipment on product/equipment that arrives in a defective or inoperable condition. Proposer must arrange for the return shipment of damaged product/equipment.

4.61 Unless contrary to other parts of this solicitation, if the product/equipment or the tender of delivery fail in any respect to conform to this Contract, the purchasing member may: 1) reject the whole, 2) accept the whole or 3) accept any commercial unit or units and reject the rest.

P. NORMAL WORKING HOURS

4.62 Prices quoted are for equipment/products and services delivered during normal business hours. Normal Business hours will be as specifically defined herein, defined through industry standards OR defined through statement contained in the purchase/work order issued pursuant to a Contract resulting from this RFP.

5. MARKETING PLAN

5.1 Internal Marketing Plan: If you are awarded a contract based on this solicitation, your sales force will be the primary source of the contract success. Your sales force needs to be aware that the value of the contract includes:

- The use of the NJPA Contract will save their customer (NJPA's Member) the time and effort of bringing a new individual Request For Proposal (RFP).
- The use of the NJPA Contract will save you and your sales force the time and effort of responding to individual Request For Proposals (RFPs).

- The use of the NJPA Contract will offer NJPA members the opportunity to have the ability to choose your company's contracted product/equipment and related services.

An award of Contract resulting from this RFP is an opportunity for the awarded Vendor to pursue commerce with, and deliver valued contracted products/equipment and related service solutions to NJPA and NJPA Members nationwide. Your internal marketing plan should serve to:

5.1.1 Identify the appropriate levels of sales management whom will need to understand the value of, and the internal procedures necessary to deliver your Contract solution to NJPA and NJPA Members through your marketing and sales efforts.

5.1.2 Identify, in general, your national footprint and dedicated feet-on-the-street sales force that will be carrying this Contract message and opportunity in the field to NJPA Members. Outline the sale force network in terms of numbers and geographic location and distribution of the product/equipment and related services. Service may be independent of the sales of the product/equipment. Demonstrate fully the sales and service capabilities of your company through your response.

5.1.2.1 Identify whether your sales force are employees or independent contractors. Identify whether your dealers are company owned or independently owned.

5.1.3 Identify your plan for delivering training to these individuals.

5.1.3.1 Will you have your sales force or dealer network gathered at national or regional events in the near future? Does your sales force or dealer network have the ability to participate in sales training webinar or webcast events?

5.1.3.2 NJPA is prepared to provide our personnel for sales training and/or on a webinar or webcast or other methodologies to effectively reach the appropriate groups within your sales management, dealer network and sales force.

5.1.4 Sales Management Contract Training.

5.1.4.1 NJPA will commit to providing contract sales training regarding all aspects of communicating the value of the Contract itself, the authority of NJPA to offer the Contract to its Members, the value the Contract delivers to NJPA Members, the scope of NJPA Membership, and the authority of NJPA Members to utilize NJPA procurement contracts.

5.1.4.2 Your Sales Management will be needed to provide training regarding employee compensation and internal procedures when delivering the Contract opportunity, and how this Contract purchasing opportunity relates with other such opportunities available.

5.2 Success in marketing is dependent upon 1) the delivery of value as defined in section 1.4, 2) the delivery of knowledge of the contract and its proper use and utility, and 3) the delivery of the contracted products/equipment and related services and the sales reward which creates a personal commitment to the contract. NJPA desires a marketing plan that:

5.2.1 identifies the value to a member of a delivered a competitively proposed national cooperative procurement contract that reduces the need by both the NJPA Member and the Vendor/Vendor's sales staff of the responsibility to facilitate and responding to multiple and similar individual RFP's;

5.2.2 identifies the appropriate Vendor personnel from both management and sales staff who will be trained on the sales and marketing methods, strategy, use and utility of such a contract and a

general schedule of when and how those individuals will be trained; and

5.2.3 identifies in general how the reward system for the marketing, delivery, and service chain of the Vendor will be affected by the implementation of the proposed Contract and how that will be proposed to those individuals in terms of the value created for them and their departments in 5.1.1 above.

5.3 External Marketing Plan: NJPA is seeking the ability to serve all our current and potential members nationwide. The Proposer must demonstrate the ability to both market and service their products/equipment and related services to NJPA current and potential members nationwide. As a part of your Marketing Plan, demonstrate your sales and service network and the capability to staff, communicate and offer the contract opportunity while demonstrating your commitment to serving NJPA and NJPA Members nationwide through the awarded contract.

5.4 The Proposer must exhibit the willingness and ability to develop marketing materials and participate in marketing venues such as:

5.4.1 Printed Marketing Materials. Proposer will initially produce and thereafter maintain full color print advertisements in camera ready electronic format including company logos, identifying the Vendor, the Vendor's general utility for NJPA and NJPA Members, and contact information to be used by NJPA and NJPA Members in a full page, half page, and quarter page formats. These advertisements will be used in the NJPA directory and other marketing publications.

5.4.2 Contract announcements and advertisements. Proposer will identify a marketing plan identifying their anticipated contract announcements, advertisements in industry periodicals, or other direct or indirect marketing activities.

5.4.3 Proposer's Website. Proposer will identify how an Awarded Contract will be displayed on the Proposer's website. An on-line shopping experience for NJPA and NJPA Members is desired when applicable and will be viewed as a value-added attribute to a Proposer's Response.

5.4.4 Trade Shows. Proposer will outline their proposed involvement in the promotion of a Contract resulting from this RFP through applicable trade shows. Proposers are encouraged to identify tradeshow and other appropriate venues for the promotion of any such Contract. Proposers are encouraged to consider participation with NJPA at NJPA embraced national trade shows. Examples of such could include:

NAEP	National Association of Education Procurement
I-ASBO	International Association of School Business Officials
NIGP	National Institute of Government Purchasing

5.5 Proposer must also work in cooperation with NJPA to develop a marketing strategy and provide avenues to equally market and drive sales through the Contract and program to all NJPA Members nationally. Awarded Vendor agrees to actively market in cooperation with NJPA all contracted equipment/products and services to current and potential NJPA Members. NJPA reserves the right to deem a Proposer non-responsive or to waive an award based on an unacceptable marketing plan.

5.6 As a part of this response, submit a complete Marketing Plan on how you would help NJPA roll out this program to current and potential NJPA Members. NJPA requires the Awarded Vendors actively promote the Contract in cooperation with the NJPA. Proposers are advised to consider marketing efforts in the areas of 1) Website Link from Proposer's website to NJPA's website, 2) Attendance and participation with a display booth at national and regional trade shows and meetings when the event is

applicable to the Proposer's customer vertical, and 3) Sales team and sales training programs involving both Proposer's sales management and NJPA staff.

5.7 Facilitating NJPA Membership: Proposer should express their commitment to develop a process to establish membership status of current and potential agencies with NJPA as a part of the sales or customer communication process.

5.7.1 Membership information: Proposer should further express their commitment to capturing sufficient member information as is deemed necessary by NJPA to appropriately facilitate membership.

6. PROPOSAL OPENING PROCEDURE

6.1 Sealed and properly identified Proposer's Responses for this RFP entitled "**SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES**" will be received by Maureen Knight, Contracts and Compliance Manager, at NJPA Offices, 202 12th Street NE, Staples, MN 56479 until the deadline for receipt of, and proposal opening identified on page one of this RFP. **We document the receipt by using an atomic clock; an NJPA employee electronically time and date stamps all Proposals immediately upon receipt.** The NJPA Director of Contracts and Marketing, or Representative from the NJPA Proposal Evaluation Committee, will then read the Proposer's names aloud. A summary of the responses to this RFP will be made available for public inspection in the NJPA office in Staples, MN. A letter or e-mail request is required to receive a complete RFP package. Send or communicate all requests to the attention of Maureen Knight 202 12th Street Northeast Staples, MN 56479 or RFP@njpacoop.org to receive a complete copy of this RFP. Method of delivery needs to be indicated in the request; an email address is required for electronic transmission. Oral, facsimile, telephone or telegraphic Proposal Submissions or requests for this RFP are invalid and will not receive consideration. All Proposal Responses must be submitted in a sealed package. The outside of the package shall plainly identify "**SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES**" To avoid premature opening, it is the responsibility of the Proposer to label the Proposal Response properly.

7. EVALUATION OF PROPOSALS

A. PROPOSAL EVALUATION PROCESS

7.1 Overall Evaluation (FORM G) - The NJPA Proposal Evaluation Committee will evaluate proposals received based on a 1,000 point evaluation system. The Committee will establish both the evaluation criteria and designate the relative importance of those criteria by assigning possible scores for each category.

7.2 NJPA will use a 1,000 Point Evaluation System to help determine the best overall Proposer(s) selection.

7.3 NJPA shall use a final overall scoring system to include consideration for best price and cost evaluation. The total possible score is 1,000 points. NJPA reserves the right to assign any number of point awards or penalties it considers warranted if a Proposer stipulates exceptions, exclusions, or limitations of liabilities.

7.4 Responses will be evaluated first for responsiveness and thereafter for content. The NJPA Board of Directors will make awards to the selected Proposer(s) based on the recommendations of the Proposal Evaluation Committee.

7.5 To qualify for the final evaluation, a Proposer must have been deemed responsive as a result of the criteria set forth under "Proposer Responsiveness."

7.6 NJPA uses a variety of evaluation methodologies, including but not limited to a cost comparison of specific and deemed to be like equipment/products. These processes establish final points for submitted price levels.

7.7 The procurement activities of the NJPA Proposal Evaluation Committee are limited to document preparation, answering Proposer questions, advertising the solicitation, distribution of this RFP upon request, conducting an evaluation and making recommendation for possible approval to NJPA Board of Directors.

B. PROPOSER RESPONSIVENESS

7.8 Proposer's Response received after the deadline for submission will be invalid and returned to the Potential Proposer unopened.

7.9 An essential part of the proposal evaluation process is an evaluation to qualify the Proposer being considered. All proposals must contain answers or responses to the information requested in the proposal forms. Any Proposer failing to provide the required documentation may be considered non-responsive.

7.10 Deviations or exceptions stipulated in Proposer's Response may result in the proposal being classified as non-responsive.

7.11 To qualify for evaluation, a proposal must have been submitted on time and materially satisfy all mandatory requirements identified in this document. A proposal must reasonably and substantially conform to all the terms and conditions in the solicitation to be considered responsive.

7.12 The Proposal Evaluation Committee shall utilize the evaluation criteria indicated in section 7.14 below. The following items constitute the test for "Level One Responsiveness" and are determined on the proposal opening date. If these are not received your response may be disqualified as non-responsive. Level One Responsiveness includes:

1. The proposal response is received prior to the deadline for submission.
2. The proposal package was properly addressed and identified as a sealed proposal with a specific opening date and time.
3. The proposal response contains the required certificate of liability insurance, pricing document (with apparent discounts), answer to the level of discount (Form P, question 19) and all forms fully completed even if "not applicable" is the answer.
4. The proposal response contains original signed, completed and dated RFP forms C, D, and F hard copy signed signature page only from forms A and P from this RFP and if applicable, all counter signed addenda issued in relation to this RFP.
5. The proposal response contains an electronic copy (CD or flash drive) of the entire response.

7.13 "Level 2" responsiveness is determined through the evaluation of the remaining items listed under Proposal Evaluation Criteria. These items are not arranged in order of importance and each item may encompass multiple areas of information requested. Any questions not answered will result in a loss of points from relevant Form G criteria and may lead to non-award if too many areas are unanswered resulting in the inability for evaluation team to effectively review your response.

C. PROPOSAL EVALUATION CRITERIA

7.14 **Reduction of Evaluation Points.** The following items will be sufficient cause to reduce evaluation points.

7.14.1 If a manufacturer or supplier chooses not to produce or supply a full selection and representation of product/equipment and related services it has available which fall within the

scope of this RFP, such action will be considered sufficient cause to reduce evaluation points.

7.15 Evaluation Criteria: Evaluation of each Proposer's Response will take into consideration as a minimum response but not necessarily limited to the following:

1. Adherence to all requirements of this RFP as defined by industry standards.
2. Prior knowledge of and experience with a Proposer in terms of past performance and market place success.
3. Capability of meeting or exceeding current and future needs or requirements of NJPA and NJPA Members.
4. Evaluation of Proposer's ability to market to and provide service to all NJPA Members nationally.
5. Financial condition of the Proposer.
6. Nature and extent of company data furnished in Proposer's Response.
7. Quality of products, equipment, and services offered including value added related services.
8. History of member service to NJPA type customers.
9. Overall ability to perform sales, solutions and contract support as submitted.
10. Ability to meet service and warranty needs.
11. History of meeting shipping and delivery expectations of contracted products/ services.
12. Technology advancements and related provisions.
13. Ability to market and promote the Contract within current business practices.
14. Willingness to develop and enter into NJPA Contract and business relations.
15. Favorable bond rating and applicable industry standard licensing ability.
16. Past market place successes and brand recognition.
17. Demonstrated warranty and product/service responsibility.
18. Possesses qualifications as a responding Proposer that meets or exceeds those set within the solicitation.
19. Information from government and education references and past performance information including past agency approval.
20. Demonstrates that they offer the most current industry standard equipment/products and related services and/or services.
21. Demonstrates financial stability as a company and a favorable banking line of credit.
22. Demonstrates their equipment/products and related services proposed meet and/or exceed industry standards accepted by educational or governmental agencies nationally.
23. Demonstrates market place success and their past performance exhibits an acceptable reputation nationally within the government and education market place.
24. Demonstrates that the company possesses the background, knowledge, capacity, and ability to sell, deliver, and support equipment/products and related services offered to government and education and related agencies.
25. Response's conformance to terms and conditions as described in the solicitation, including documentation.
26. Has provided documentation defining, outlining, and describing their concept of a national marketing program they will be implementing to facilitate and coordinate the cooperative activities required by an awarded NJPA Contract.
27. Has provided all of the required and applicable documentation required i.e. insurance certificates, licenses, and/or registration certificates required to do business nationally.
28. Line-Item Pricing, or acceptable pricing model in approved excel format, listing of all of the proposed equipment/products and related services and warranty provisions with their associated units of costs.
29. Hot List Pricing equipment/products and related services in a Line-Item Pricing format (when applicable).
30. Contract Pricing submitted as requested to include selection of products/equipment and related services in a Line-Item Pricing and/or Percentage Discount from a published gov/ed price list or Catalog.

D. OTHER CONSIDERATION

7.16 Consideration will be given in the award based on the completion and degree of information provided regarding available products/equipment, and accessories, and related services as well as, applicable parts of the Proposer Information and Questionnaire.

7.17 The Proposer is required to have extensive knowledge and at least three (3) years of experience with the related activities surrounding the selling of the product/equipment, related services or related products/equipment offered.

7.18 NJPA reserves the right to accept or reject newly formed companies solely based on information provided in the proposal and/or its own investigation of the company.

7.19 The fact a manufacturer or supplier chooses not to produce or provide equipment products or services to meet the intent and scope of this RFP will not be considered sufficient cause to adjudge this RFP as restrictive.

7.20 Consideration will be given in the proposal evaluation based upon the selection, variety, technological advances, and demonstrated quality of products submitted, technological advances, and pricing. A positive review will reflect the ability of the Proposer to communicate the value of these factors and to demonstrate how the depth and breadth of their product and service offerings provide NJPA and NJPA Members comfort and assurance understanding that the proposer accepts the sole source of responsibility of the response to the scope of this RFP.

7.21 Consideration will also be given to proposals demonstrating technological advances, provide increased efficiencies, expanded service and other related improvements beyond today's NJPA member's needs and applicable standards.

7.22 Strong consideration will be given to a Proposer's past performance, distribution model, and the demonstration their ability to effectively market and service NJPA Membership nationally.

7.23 Strong consideration will be given to the best price as it relates to the quality of the product and service. However, price is ultimately only one of the factors taken into consideration in the evaluation and award.

7.24 The Proposer's ability to follow the proposal preparation instructions set forth in this solicitation will also be considered to be an indicator of the Proposer's ability to follow other future instructions should they receive an award as a result of this solicitation. Any Contract between NJPA and a Proposer requires the delivery of information and data. The quality of organization and writing reflected in the proposal will be considered an indication of the quality of organization and writing which would be prevalent if a Contract was awarded. As a result, the proposal will be evaluated as a sample of data submission.

7.25 Proposer's financial strength and stability is requested and reviewed to get a general feel for the size, strength, and probable scope of the Proposer.

7.26 NJPA reserves the right to reject the Proposer's Response of the apparent successful Proposer where the available evidence or information does not exhibit the ability or intent to satisfy NJPA that the potential Vendor is unable to properly carry out the terms of this RFP and potential Contract.

7.27 NJPA shall reserve the right to reject any or all proposals. NJPA also reserves the right to reject a proposal not accompanied by required certificate of insurance, other data required by this RFP, or if a Proposer's Response is incomplete or irregular. The NJPA shall reject all proposals where there has been proven or suspicion of collusion among the Proposers.

E. COST COMPARISON

7.28 NJPA reserves the right to use this process in the event the Proposal Evaluation Committee feels it is necessary to make a final determination.

7.29 This process will be based on a point system with points being awarded for being low to high Proposer for each cost evaluation item selected. A “Market Basket” of identical (or substantially similar) equipment/products and related services may be selected by the NJPA Evaluation Committee and the unit cost will be used as a basis for determining the point value. The “Market Basket” will be selected by NJPA from all product categories as determined appropriate by NJPA. The low priced Proposer will receive the full point value and all other Proposers will receive points as follows: Lowest price Proposal = 5 (where there are five proposers), and inferior proposals = 4, 3, 2, 1 points each. The Total Score for each proposer will be the sum of all points earned. The result of this process shall not be the sole determination for award.

F. PRODUCT TESTING

7.30 NJPA reserves the right to request and test equipment/products and related services from the apparent successful Proposer. Prior to the award of the Contract, the apparent successful Proposer, if requested by NJPA, shall furnish current information and data regarding the Proposer’s resources, personnel, and organization within three (3) days.

G. PAST PERFORMANCE INFORMATION

7.31 Past performance information is relevant information regarding a Proposer’s actions under previously awarded contracts to schools, local, state, and governmental agencies and non-profit agencies. It includes the Proposer’s record of conforming to specifications and standards of good workmanship. The Proposer’s history for reasonable and cooperative behavior and commitment to member satisfaction shall be under evaluation. Ultimately, Past Performance Information can be defined as the Proposer’s businesslike concern for the interests of the NJPA Member.

H. WAIVER OF FORMALITIES

7.32 NJPA reserves the right to waive any minor formalities or irregularities in any proposal and to accept proposals, which, in its discretion and according to the law, may be in the best interest of its members.

8. POST AWARD OPERATING ISSUES

A. SUBSEQUENT AGREEMENTS

8.1 Purchase Order- Purchase Orders for product/equipment and related services may be executed between NJPA or NJPA Members (Purchaser) and awarded Vendor(s) or Vendor’s sub-contractors pursuant to this invitation and any resulting Contract. NJPA Members are instructed to identify on the face of such Purchase orders that “This purchase order is issued pursuant to NJPA procurement contract #XXXXXX.” A Purchase Order is an offer to purchase product/equipment and related services at specified prices by NJPA or NJPA Members pursuant to a Contract resulting from this RFP. Purchase Order flow and procedure will be developed jointly between NJPA and an Awarded Vendor after an award is made.

8.2 Governing Law- Purchase Orders, as identified above, shall be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the purchaser. Each and every provision of law and clause required by law to be included in the Purchase Order shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either part the Contract shall be physically amended to make such inclusion or correction. The venue for any litigation arising out of disputes related to Purchase

Order(s) shall be a court of competent jurisdiction to the Purchaser.

8.3 Additional Terms and Conditions- Additional terms and conditions to a Purchase Order may be proposed by NJPA, NJPA Members, or Vendors. Acceptance of these additional terms and conditions is OPTIONAL to all parties to the Purchase Order. The purpose of these additional terms and conditions is to, among other things; formally introduce job or industry specific requirements of law such as prevailing wage legislation. Additional terms and conditions can include specific local policy requirements and standard business practices of the issuing Member. Said additional terms and conditions shall not interfere with the general purpose, intent or currently established terms and conditions contain in this RFP document.

8.4 Specialized Service Requirements- In the event service requirements or specialized performance requirements such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements not addressed in the Contract resulting from this RFP, NJPA Member and Vendor may enter into a separate, standalone agreement, apart from a Contract resulting from this RFP. Any proposed service requirements or specialized performance requirements require pre-approval by Vendor. Any separate agreement developed to address these specialized service or performance requirements is exclusively between the NJPA Member and Vendor. NJPA, its agents, Members and employees shall not be made party to any claim for breach of such agreement. Product sourcing is not considered a service. NJPA Members will need to conduct procurements for any specialized services not identified as a part or within the scope of the awarded Contract.

8.5 Performance Bond- At the request of the member, a Vendor will provide all performance bonds typically and customarily required in their industry. These bonds will be issued pursuant to the requirements of Purchase Orders for product/equipment and related services. If a purchase order is cancelled for lack of a required performance bond by the member agency, it shall be the recommendation of NJPA that the current pending Purchase Order be canceled. Each member has the final decision on Purchase Order continuation. ANY PERFORMANCE BONDING REQUIRED BY THE MEMBER OR CUSTOMER STATE LAWS OR LOCAL POLICY IS TO BE MUTUALLY AGREED UPON AND SECURED BETWEEN THE VENDOR AND THE CUSTOMER/MEMBER.

B. NJPA MEMBER SIGN-UP PROCEDURE

8.6 Awarded Vendors will be responsible for familiarizing their sales and service forces with the various forms of NJPA Membership documentation and shall encourage and assist potential Members in establishing Membership with NJPA. NJPA membership is at no cost, obligation or liability to the member or the vendor.

C. REPORTING OF SALE ACTIVITY

8.7 A report of the total gross dollar volume of all equipment/products and related services purchased by NJPA Members as it applies to this RFP and Contract will be provided quarterly to NJPA. The form and content of this reporting will be developed by NJPA in cooperation with the Vendor to include, but not limited to, name and address of purchasing agency, amount of purchase, and a description of the items purchased.

8.7.1 Zero sales reports: Awarded Vendors are responsible for providing a quarterly sales report of contract sales EVERY QUARTER regardless of the existence or amount of sales.

D. AUDITS

8.8 During the Term, however no more than once per calendar year, Vendor(s) may be required to make available to NJPA at the Vendor's corporate offices (during normal business hours) the invoice reports and/or invoice documents from Vendor pertaining to all invoices sent by Vendor and all payments made by NJPA members for all equipment/products and related services purchased under the awarded Contract.

NJPA must provide written notice of exercise of this requirement with no less than fourteen (14) business days' notice. NJPA may employ an independent auditor or NJPA may choose to conduct such audit on its own behalf. Vendor shall have the right to approve the independent auditor, which approval shall not be unreasonably withheld. Upon approval and after the auditor has executed an appropriate confidentiality agreement, Vendor will permit the auditor to review the relevant Vendor documents. NJPA shall be responsible for paying the auditor's fees. The parties will make every reasonable effort to fairly and equitably resolve discrepancies to the satisfaction of both parties. Vendor agrees that the NJPA may audit their records with a reasonable notice to establish total compliance and to verify prices charged hereunder of the Contract are being met. Vendor agrees to provide verifiable documentation and tracking in a timely manner.

E. HUB PARTNER

8.9 Hub Partner: Where applicable, NJPA Members may, from time to time, request to be served in some way through a "Hub Partner" for the purposes of complying with a Law, Regulation, or Rule to which that individual NJPA Member deems to be applicable in their jurisdiction. Hub Partners may bring value to the proposed transactions through consultancy, Disadvantaged Business Entity Credits, or other considerations.

8.10 Hub Partner Fees: Fees, costs, or expenses from this Hub Partner levied upon a transaction resulting from this contract, shall be payable by the NJPA Member provide that:

8.10.1 The fees, costs, or expenses levied by the Hub Vendor must be clearly itemized in the transaction; and

8.10.2 To the extent that the Vendor stands in the chain of title during a transaction resulting from this RFP, the documentation shall be documented to show it is "Executed for the Benefit of [NJPA Member Name]."

F. TRADE-INS

8.11 Where Appropriate, the value in US Dollars for Trade-ins will be negotiated between NJPA or an NJPA Member, and an Awarded Vendor. That identified "Trade-In" value shall be credited in full against the NJPA purchase price identified in a purchase order issued pursuant to any Awarded NJPA procurement contract. The full value of the trade-in will be consideration to that purchase order.

G. OUT OF STOCK NOTIFICATION

8.12 Vendor shall immediately notify NJPA members upon receipt of order(s) when an out-of-stock occurs. Vendor shall inform the NJPA member regarding the anticipated date of availability for the out-of-stock item(s), and may suggest equivalent substitute(s).

- The ordering organization shall have the option of accepting the suggested equivalent substitute, or canceling the item from the order.
- Under no circumstance is Proposer permitted to make unauthorized substitutions.
- Unfilled or substituted item(s) shall be indicated on the packing list.

H. TERMINATION OF CONTRACT RESULTING FROM THIS RFP

8.13 NJPA reserves the right to cancel the whole or any part of a resulting Contract due to failure by the Vendor to carry out any obligation, term or condition as described in the below procedure. Prior to any termination for cause, the NJPA will provide written notice to the Vendor, opportunity to respond and opportunity to cure according to the steps in the procedure in this Cancellation Section. Some examples of material breach are the following:

- The Vendor provides products/equipment or related services that does not meet reasonable quality standards and is not remedied under the warranty;

- The Vendor fails to ship the products/equipment or related services or provide the delivery and services within a reasonable amount of time;
- NJPA has reason to believe the Vendor will not or cannot perform to the requirements or expectations of the Contract and issues a request for assurance as described herein and Vendor fails to respond;
- The Vendor fails to observe any of the material terms and conditions of the Contract;
- The Vendor fails to follow the established procedure for purchase orders, invoices and/or receipt of funds as established by the NJPA and the Vendor in the Contract.
- The Vendor fails to report quarterly sales;
- The Vendor fails to actively market this Contract within the guidelines provided in this RFP and the expectations of NJPA defined in the NJPA Contract Launch.
- In the event the contract has no measurable and defining value or benefit to NJPA or the NJPA member.

8.14 Each party shall follow the below procedure if the Contract is to be terminated for violations or non-performance issues:

Step 1: Issue a warning letter outlining the violations and/or non-performance and state the length of time (10 days) to provide a response and correct the problem(s) if reasonably possible in such time frame.

Step 2: Issue a letter of intent to cancel Contract, if the problem(s) is not resolved within fifty (50) days.

Step 3: Issue letter to cancel Contract for cause.

8.15 Upon receipt of the written notice of concern, the Vendor shall have ten (10) business days to provide a satisfactory response to the NJPA. Failure on the part of the Vendor to reasonably address all issues of concern may result in Contract cancellation pursuant to this Section.

8.16 Any termination shall have no effect on purchases that are in progress at the time the cancellation is received by the NJPA. The NJPA reserves the right to cancel the Contract immediately for convenience, without penalty or recourse, in the event the Vendor is not responsive concerning the remedy, the performance, or the violation issue within the time frame, completely or in part.

8.17 NJPA reserves the right to cancel or suspend the use of any Contract resulting from this RFP if the Vendor files for bankruptcy protection or is acquired by an independent third party. Awarded Vendor will be responsible for disclosing to NJPA any litigation, bankruptcy or suspensions/disbarments that occur during the contract period. Failure to disclose may result in an immediate termination of the contract. Prior to commencing services under this Contract, the Proposer/Vendor must furnish NJPA certification from insurer(s) proving level of coverage usual and customary to the specific industry. The coverage is to be maintained in full effect during the Contract period. Vendor must be willing to provide, upon request, certification of insurance to any NJPA member or member using this Contract.

8.18 Either party may execute Contract termination without cause with a required 60-day written notice of termination. Termination of Contract shall not relieve either party of financial, product or service obligations incurred or accrued prior to termination.

8.19 NJPA may cancel any Contract resulting from this solicitation without any further obligation if any NJPA employee significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the NJPA is found to be in collusion with any Proposer to this RFP for their personal gain. Such cancellation shall be effective upon written notice from the NJPA or a later date if so designated in the notice given. A terminated Contract shall not relieve either party of financial, product or service obligations due to participating member or NJPA.

8.20 Events of Automatic termination to include:

- Vendor's failure to remedy a material breach of a Contract resulting from this RFP within sixty (60) days of receipt of notice from NJPA specifying in reasonable detail the nature of such breach; and/or,
- Receipt of written information from any authorized agency finding activities of Vendors engaged in pursuant to a Contract resulting from this RFP to be in violation of the law.

9. GENERAL TERMS AND CONDITIONS

A. ADVERTISEMENT OF RFP

9.1 NJPA shall advertise this solicitation 1) for two consecutive weeks in both the hard copy print and on-line editions of the MINNEAPOLIS STAR TRIBUNE, 2) Once each in Oregon's Daily Journal of Commerce; and Utah's Salt Lake Tribune, and the Desert News 3) it shall be placed on a national wire service and website by the MINNEAPOLIS STAR TRIBUNE, 4) it shall be posted on NJPA's website, 5) it shall be posted to the "Noticetobidders.com" website, and 6) it shall be posted to other third-party websites deemed appropriate by NJPA. Other third party advertisers may include Onvia and Bidsync.

NJPA also notifies and provides solicitation documentation to each State level procurement departments for possible re-posting of the solicitation within their systems and at their option for future use and to meet specific state requirements.

B. ADVERTISING OF A CONTRACT RESULTING FROM THIS RFP

9.2 Proposer/Vendor shall not advertise or publish information concerning this Contract prior to the award being announced by the NJPA. Once the award is made, a Vendor is expected to advertise the awarded Contract to both current and potential NJPA Members.

C. APPLICABLE LAW

9.3 NJPA Compliance with Minnesota Procurement Law: Contracts awarded through NJPA are intended to meet the procurement laws of all states and NJPA will exhaust all avenues to comply with each unique state law or requirement whenever possible. It is the responsibility of each participating NJPA member to ensure to their satisfaction that NJPA contracting process falls within these laws and applicable laws are satisfied. An individual NJPA member using these contracts is deemed by their own accord to be in compliance with their own requirements and procurement regulations.

9.4 Governing Law with respect to delivery and acceptance: All applicable portions of the Minnesota Uniform Commercial Code, all other applicable Minnesota laws, and the applicable laws and rules of delivery and inspection of the Federal Acquisition Regulations (FAR) laws shall govern NJPA contracts resulting from this solicitation.

9.5 Jurisdiction: Any claims pertaining to this RFP and any resulting Contract that develop between NJPA and any other party must be brought forth only in courts in Todd County in the State of Minnesota.

9.5.1 Purchase Orders issued pursuant to a contract resulting from this solicitation shall be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the purchaser.

9.6 Vendor Compliance with applicable law: Vendor(s) shall comply with all federal, state, or local laws applicable to or pertaining to the transaction, acquisition, manufacturer, suppliers or the sale of the equipment/products and relating services resulting from this RFP.

9.7 Applicable Laws, whether or not herein contained, shall be included by this reference. It shall be Proposer's/Vendor's responsibility to determine the applicability and requirements of any such laws and

to abide by them.

9.8 Indemnity: Each party agrees it will be responsible for its own acts and the result thereof to the extent authorized by law and shall not be responsible for the acts of the other party and the results thereof. NJPA's liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section §3.736, and other applicable law.

9.9 Prevailing Wage: It shall be the responsibility of the Vendor to comply, when applicable, with prevailing wage legislation in effect in the jurisdiction of the purchaser (NJPA or NJPA Member). It shall be the responsibility of the Vendor to monitor the prevailing wage rates as established by the appropriate department of labor for any increase in rates during the term of this Contract and adjust wage rates accordingly.

9.10 Patent and Copyright infringement: If an article sold and delivered to NJPA or NJPA Members hereunder shall be protected by any applicable patent or copyright, the Vendor agrees to indemnify and save harmless NJPA and NJPA Members against any and all suits, claims, judgments, and costs instituted or recovered against it by any person whosoever on account of the use or sale of such articles by NJPA or NJPA Members in violation or right under such patent or copyright.

D. ASSIGNMENT OF CONTRACT

9.11 No right or interest in this Contract shall be assigned or transferred by the Vendor without prior written permission by the NJPA. No delegation of any duty of the Vendor shall be made without prior written permission of the NJPA. The NJPA shall notify the members within fifteen (15) days of receipt of written notice by the Vendor. After issuance the awarded Contract may be reassigned to a comparable and acceptable Vendor at the discretion of NJPA.

9.12 If the original Vendor sells or transfers all assets or the entire portion of the assets used to perform this Contract, a successor in interest must guarantee to perform all obligations under this Contract. NJPA reserves the right to reject the acquiring person or entity as a Vendor. A simple change of name agreement will not change the contractual obligations of the Vendor.

E. LIST OF PROPOSERS

9.13 NJPA will not maintain or communicate to a list of proposers. All interested proposers must respond to the solicitation as a result of NJPA solicitation advertisements indicated. Because of the wide scope of the potential Members and qualified national Vendors, NJPA has determined this to be the best method of fairly soliciting proposals.

F. CAPTIONS, HEADINGS, AND ILLUSTRATIONS

9.14 The captions, illustrations, headings, and subheadings in this solicitation are for convenience and ease of understanding and in no way define or limit the scope or intent of this request.

G. DATA PRACTICES

9.15 All materials submitted in response to this RFP will become property of the NJPA and will become public record in accordance with Minnesota Statutes, section 13.591, after the evaluation process is completed. If the Responder submits information in response to this RFP that it believes to be nonpublic information, as defined by the Minnesota Government Data Practices Act, Minnesota Statute § 13.37, the Responder must:

- make the request within thirty days of award/non-award, and include the appropriate statutory justification. The NJPA Legal Department shall review the statement to determine whether the

information shall be withheld. If the NJPA determines to disclose the information, the Contracts department of the NJPA shall inform the Proposer, in writing, of such determination

- defend any action seeking release of the materials it believes to be nonpublic information, and indemnify and hold harmless the NJPA, its agents and employees, from any judgments or damages awarded against the NJPA in favor of the party requesting the materials, and any and all costs connected with that defense.

This indemnification survives the NJPA's award of a contract. In submitting a response to this RFP, the Responder agrees that this indemnification survives as long as the confidential information are in possession of the NJPA. Proposer can redact additional nonpublic information at any time after the evaluation process if appropriate legal justification is provided.

H. ENTIRE AGREEMENT

9.16 The Contract, as defined herein, shall constitute the entire understanding between the parties to that Contract.

9.17 A Contract resulting from this RFP is formed when the NJPA Board of Directors approves and signs the applicable Contract Award Form document (see Form E).

I. FORCE MAJEURE

9.18 Except for payments of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented due to force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence including, but not limited to, the following: acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, snow, earthquakes, tornadoes or violent wind, tsunamis, wind shears, squalls, Chinooks, blizzards, hail storms, volcanic eruptions, meteor strikes, famine, sink holes, avalanches, lockouts, injunctions-intervention-acts, terrorist events or failures or refusals to act by government authority and/or other similar occurrences where such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party 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 a Contract resulting from this RFP. Force majeure shall not include late deliveries of equipment/products and services caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or other similar occurrences. If either party is delayed at any time by force majeure, then the delayed party shall notify the other party of such delay within forty-eight (48) hours.

J. GRATUITIES

9.19 NJPA may cancel an awarded Contract by written notice if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Vendor or any agent or representative of the Vendor, to any employee of the NJPA are deemed to be excessive with a view or demonstrated intent toward securing a contract or with respect to the performance of a pending or awarded Contract.

K. HAZARDOUS SUBSTANCES

9.20 Proper and applicable Material Safety Data Sheets (MSDS) that are in full compliance with OSHA's Hazard Communication Standard must be provided by the Vendor to NJPA or NJPA Member at the time of purchase.

L. LEGAL REMEDIES

9.21 All claims and controversies between NJPA and Vendor shall be subject to the laws of the State of Minnesota and are to be resolved in Todd County, Minnesota, the county in which NJPA is located and domiciled.

M. LICENSES

9.22 Proposer shall maintain a current status on all required federal, state, and local licenses, bonds and permits required for the operation of the business that is anticipated to be conducted with NJPA and NJPA members by the Proposer.

9.23 All responding Proposers must be licensed (where required) and have the authority to sell and distribute offered equipment/products and related services to NJPA and NJPA Members nationally. Documentation of required said licenses and authorities, if applicable, is requested to be included in the proposer's response.

N. MATERIAL SUPPLIERS AND SUB-CONTRACTORS

9.24 The awarded Vendor shall be required to supply the names and addresses of sourcing suppliers and sub-contractors as a part of the purchase order when requested by NJPA or the NJPA member.

9.25 Awarded Vendors under this RFP will be the sole source of responsibility for transactions originating that award. The Awarded Vendor is solely responsible for equipment/products and related services and products/equipment and related services provided by third-party sourcing or service providers.

O. NON-WAIVER OF RIGHTS

9.26 No failure of either party to exercise any power given to it hereunder, nor to insistence upon strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, nor any payment under a Contract resulting from this RFP shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. Failure by NJPA to take action or assert any right hereunder shall not be deemed as waiver of such right.

P. PROTESTS OF AWARDS MADE

9.27 Protests shall be filed with the NJPA's Executive Director and shall be resolved in accordance with appropriate Minnesota state statutes. Protests will only be accepted from Proposers. A protest must be in writing and filed with NJPA. A protest of an award or proposed award must be filed within ten (10) days after the public notice or announcement of the award. No protest shall lie for a claim that the selected Proposer is not a responsible Proposer. A protest must include:

1. The name, address and telephone number of the protester;
2. The original signature of the protester or its representative (you must document the authority of the Representative);
3. Identification of the solicitation by RFP number;
4. Identification of the statute or procedure that is alleged to have been violated;
5. A precise statement of the relevant facts;
6. Identification of the issues to be resolved;
7. The aggrieved party's argument and supporting documentation;
8. The aggrieved party's statement of potential financial damages;
9. A protest bond in the name of NJPA and in the amount of 10% of the aggrieved party's statement of potential financial damages.

Q. PROVISIONS REQUIRED BY LAW

9.28 Proposer agrees in the performance of a Contract resulting from this RFP, it has complied with or will comply with all applicable statutes, laws, regulations, and orders of the United States and any State thereof.

R. RIGHT TO ASSURANCE

9.29 Whenever one party to the awarded Contract has reason to question the other party's intent to perform, he/she may demand a written assurance of this intent. In the event a demand is made and no written assurance is given, the demanding party may treat this failure as an anticipatory repudiation of the Contract provided, however, in order to be effective, any such demand shall be addressed to the authorized signer for the party from whom the assurance is being sought, and sent via U.S. Postal Service, certified mail, return receipt requested or national overnight delivery service with proof of delivery.

S. SUSPENSION OR DISBARMENT STATUS

9.30 If within the past five (5) years, any firm, business, person or Proposer responding to NJPA solicitation and submitting a proposal has been lawfully terminated, suspended or precluded from participating in any public procurement activity with a federal, state or local government or education agency the Proposer must include a letter with its response setting forth the name and address of the public procurement unit, the effective date of the suspension or debarment, the duration of the suspension or debarment and the relevant circumstances relating to the suspension or debarment. Any failure to supply such a letter or to disclose pertinent information may result in the cancellation of any Contract. By signing the proposal affidavit, the Proposer certifies that no current suspension or debarment exists.

T. AFFIRMATIVE ACTION AND IMMIGRATION STATUS CERTIFICATION

9.32 An Affirmative Action Plan, Certificate of Affirmative Action or other documentation regarding Affirmative Action may be required by certain Members may be required by NJPA or NJPA Members relating to a transaction relating to this RFP. Vendors shall comply with any such requirements or requests.

9.33 Immigration Status Certification may be required by NJPA or NJPA Members relating to a transaction relating to this RFP. Vendors shall comply with any such requirements or requests.

U. SEVERABILITY

9.34 In the event that any of the terms of a Contract resulting from this RFP are in conflict with any rule, law, statutory provision or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, such terms shall be deemed stricken from an awarded Contract resulting from this RFP, but such invalidity or unenforceability shall not invalidate any of the other terms of an awarded Contract resulting from this RFP.

V. RELATIONSHIP OF PARTIES

9.35 No Contract resulting from this RFP shall be considered a contract of employment. The relationship between NJPA and an Awarded Contractor is one of independent contractors each free to exercise judgment and discretion with regard to the conduct of their respective businesses. The parties do not intend the proposed Contract to create, or is to be construed as creating a partnership, joint venture, master-servant, principal-agent, or any other relationship. Except as provided elsewhere in this RFP, neither party may be held liable for acts of omission or commission of the other party and neither party is authorized or has the power to obligate the other party by contract, agreement, warranty, representation or otherwise in any manner whatsoever except as may be expressly provided herein.

10. FORMS

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Form A



PROPOSER QUESTIONNAIRE- General Business Information

*(Products, Pricing, Sector Specific, Services, Terms and Warranty are addressed on **Form P**)*

Proposer Name: _____ Questionnaire completed by: _____

Please identify the person NJPA should correspond with from now through the Award process:

Name: _____, E-Mail address: _____

Please provide an answer to all questions below and address all requests made in this RFP. Please use the Microsoft Word/Excel document version of this questionnaire to respond to the questions contained herein. Please provide your answer to each question indented below the question. Please supply any applicable supporting information and documentation you feel appropriate in addition to answers entered to the Word document. All information must be typed, organized, and easily understood by evaluators.

Company Information

- 1) Why did you respond to this RFP?
- 2) What are your company's expectations in the event of an award?
- 3) Provide the full legal name, address, tax identifications number, and telephone number for your business.
- 4) Demonstrate your financial strength and stability.
- 5) Are you now, or have you ever been the subject of a bankruptcy action? Please explain.
- 6) Provide a brief history of your company that includes your company's core values and business philosophy.
- 7) How long has your company been in the "**SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES**", industry?
- 8) Is your organization best described as a manufacturer or a distributor/dealer/re-seller for a manufacturer of the products/equipment and related services being proposed?
 - a) If the Proposer is best described as a re-seller, manufacturer aggregate, or distributor, please provide evidence of your authorization as a dealer/re-seller/manufacturer aggregate for the manufacturer of the products/equipment and related services you are proposing.
 - b) If the Proposer is best described as a manufacturer, please describe your relationship with your sales/service force and/or Dealer Network in delivering the products/equipment and related services proposed.
 - c) Are these individuals your employees, or the employees of a third party?
 - d) If applicable, is the Dealer Network independent or company owned?
- 9) Please provide your bond rating, and/or a credit reference from your bank.
- 10) Provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held by your organization in pursuit of the commerce and business contemplated by this RFP.
- 11) Provide a detailed explanation outlining licenses and certifications both required to be held, and actually held, by third parties and sub-contractors to your organization in pursuit of the commerce contemplated by this RFP. If not applicable, please respond with "Not Applicable."
- 12) Provide all "Suspension or Disbarment" information as defined and required herein.
- 13) In addition to the \$1.5 million in General Liability and/or in conjunction with umbrella insurance coverage, what level of automobile and workers compensation insurance does your organization currently have? If none, please explain.
- 14) Within the RFP category there is potential to be several different sub-categories of solutions. What sub category title/s

would best describe your products, services and supplies?

Industry-Marketplace Successes

- 15) List and document recent industry awards and recognition.
- 16) Supply three references/testimonials from customers of like status to NJPA Members to include Government and Education agencies. Please include the customer's name, contact, and phone number.
- 17) Provide names and addresses of the top five (5) government or education agency customers to include the scope of projects, size of transaction, and dollar volumes from the past three (3) fiscal years.
- 18) What percentages of your current (within the past three (3) fiscal years) national sales are to the government and education verticals? Indicate government and education verticals individually

Proposer's ability to sell and service nationwide

- 19) Please describe your company sales force in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale and services of the equipment/products contemplated in this RFP?
- 20) Please describe your dedicated dealer network and number of individual sales force within your dealer network in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sales distribution and delivery of your equipment/products and related services contemplated in this RFP?
- 21) Please describe your dedicated company service force or dedicated network in terms of numbers, geographic dispersion, and the proportion of their attention focused on the sale of the equipment/products and related services contemplated in this RFP?
- 22) Please describe your dedicated dealer service force or network in terms of numbers geographic dispersion, and the proportion of their attention focused on the sale of the equipment/products and related services contemplated in this RFP? Additionally, please describe any applicable road service and do they offer the ability to service customers at the customer's location?
- 23) Describe in detail your customer service program regarding process and procedure. Please include, where appropriate, response time capabilities and commitments as a part of this RFP response and awarded contract.
- 24) Identify any geographic areas or NJPA market segments of the United States you will NOT be fully serving through the proposed contract.
- 25) Identify any of NJPA Member segments or defined NJPA verticals you will NOT be offering and promoting an awarded contract to? (Government, Education, Non-profit)
- 26) Define any specific requirements or restrictions as it applies to our members located off shores such as Hawaii and Alaska and the US Islands. Address your off shore shipping program on the Pricing form P of this document.

Marketing Plan

- 27) Describe your contract sales training program to your sales management, dealer network and/or direct sales teams relating to a NJPA awarded contract.
- 28) Describe how you would market/promote an NJPA Contract nationally to ensure success.
- 29) Describe your marketing material, and overall marketing ability, relating to promoting this type of partnership and contract opportunity. Please send a few representative samples of your marketing materials in electronic format.
- 30) Describe your use of technology and the internet to provide marketing and ensure national contract awareness.
- 31) Describe your perception of NJPA's role in marketing the contract and your contracted products/equipment and related services.
- 32) Describe in detail any unique marketing techniques and methods as a part of your proposal that would separate you from other companies in your industry.
- 33) Describe your company's Senior Management level commitment with regards to embracement, promoting, supporting and managing a resultant NJPA awarded contract
- 34) Do you view your products/equipment applicable to an E-procurement ordering process? Yes/ No.
 - a) If yes, describe examples of E-procurement system/s or electronic marketplace solutions that your products/equipment was available through. Demonstrate the success of government and educations customers to ordering through E-procurement.
- 35) Please describe how you will communicate your NJPA pricing and pricing strategy to your sales force nationally?

Other Cooperative Procurement Contracts Held

- 36) Identify all cooperative contracts hosted by any government or education agency or government or education cooperative or by a third party marketing company, which are marketed in more than one state, held or utilized by the Proposer.
- 37) What is the annual dollar sales volume generated through each of the contract(s) identified in your answer to the previous question.
- 38) Identify awarded WSCA or specific state procurement contracts held or utilized by the Proposer with any State of the United States.
- 39) What is the annual combined dollar sales volume for each of these contracts?
- 40) Identify any GSA Contracts held or utilized by the Proposer.
- 41) If you are awarded the NJPA contract, are there any market segments or verticals (e.g., higher education, K-12 local governments, non-profits etc.) or geographical markets where the NJPA contract will not be your primary contract purchasing vehicle? If so, please identify those markets and which cooperative purchasing agreement will be your primary vehicle.
- 42) If you are awarded the NJPA contract, is it your intention and commitment to lead with your NJPA contract? ____ Yes ____ No Explain and demonstrate your commitment and/or restrictions.
- 43) Identify a proposed administrative fee payable to NJPA for facilitation, management and promotion of the NJPA contract, should you be awarded. This fee is typically calculated as a percentage of Contract sales and not a line item addition to the customers cost of goods.

Value Added Attributes

- 44) If applicable, describe any product/equipment training programs available as options for NJPA members. If applicable, do you offer equipment operator training as well as maintenance training? ____ Yes ____ No
- 45) Is this training standard as a part of a purchase or optional?
- 46) Describe current technological advances your proposed equipment/products and related services offer.
- 47) Describe your "Green" program as it relates to your company, your products/equipment, and your recycling program, including a list of all green products accompanied by the certifying agency for each (if applicable).
- 48) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) accreditations and the general minority and small business program of your organization as it relates to a Contract resulting from this RFP.
- 49) Identify any other unique or custom value added attributes of your company or your products/equipment or related services.
- 50) Other than what you have already demonstrated or described, what separates your company, your products/equipment and related services from your competition? What makes your proposed solutions unique in your industry as it applies to NJPA members?
- 51) Identify and describe any service contract options included in the proposal, or offered as a proposed option, for the products/equipment being offered.
- 52) Identify your ability and willingness to offer an awarded contract to qualifying member agencies in Canada specifically and internationally in general.
- 53) Describe any unique distribution and/or delivery methods or options offered in your proposal.

(Products, Pricing, Sector Specific, Services, Terms and Warranty are addressed on Form P)

Signature: _____ Date: _____

**PROPOSER INFORMATION**

Company Name: _____

Address: _____

City/State/Zip: _____

Phone: _____ Fax: _____

Toll Free Number: _____ E-mail: _____

Web site: _____

Voids sometimes exist between management (those who respond to RFPs) and sales staff (those who contact NJPA Members) that result in communication problems. Due to this fact, provide the names of your key sales people, phone numbers, and geographic territories for which they are responsible

COMPANY PERSONNEL CONTACTS**Authorized Signer for your organization*:**

Name: _____

Email: _____ Phone: _____

* By executing Form F, the "Proposer's Assurance of Compliance," you are certifying this person identified here has their authorization to sign on behalf of your organization:

Author of your proposal response

Name: _____ Title: _____

Email: _____ Phone: _____

Your Primary Contact person regarding your proposal:

Name: _____ Title: _____

Email: _____ Phone: _____

Other important contact information:

Name: _____ Title: _____

Email: _____ Phone: _____

Name: _____ Title: _____

Email: _____ Phone: _____

Form C**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS
AND SOLUTIONS REQUEST**

Company Name: _____

Note: **Original must be signed** and inserted in the inside front cover pouch.

Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA and may or may not be included in the final contract. NJPA may clarify exceptions listed here and document the results of those clarifications in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception		

Proposer's Signature: _____ Date: _____

NJPA's clarification on exception/s listed above:**Contract Award
RFP #022014**



Formal Offering of Proposal
(To be completed Only by Proposer)

SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES,

In compliance with the Request for proposal (RFP) for “SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES”, the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer’s Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: _____ Date: _____

Company Address: _____

City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____

Authorized Signature (ink only): _____

(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA _____

Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be _____, 20_____ and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: _____
NJPA Executive Director (Name printed or typed)

Awarded this _____ day of _____, 20_____ **NJPA Contract Number # 022014**

NJPA Authorized signature: _____
NJPA Board Member (Name printed or typed)

Executed this _____ day of _____, 20_____ **NJPA Contract Number # 022014**

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name _____

Vendor Authorized signature: _____
(Name printed or typed)

Title: _____

Executed this _____ day of _____, 20_____ **NJPA Contract Number # 022014**

PROPOSER ASSURANCE OF COMPLIANCE**Proposal Affidavit Signature Page****PROPOSER'S AFFIDAVIT**

The undersigned, representing the persons, firms and corporations joining in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the "Proposer"), being duly sworn on his/her oath, states to the best of his/her belief and knowledge:

1. The undersigned certifies the Proposer is submitting their proposal under their true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, that the Proposer possesses, or will possess prior to the delivery of any product/equipment and related services, all applicable licenses necessary for such delivery to NJPA members agencies nationally, and that they are authorized to act on behalf of, and encumber the "Proposer" in this Contract, and
2. To the best of my knowledge, no Proposer or Potential Proposer, nor any person duly representing the same, has directly or indirectly entered into any agreement or arrangement with any other Proposers, Potential Proposers, any official or employee of the NJPA, or any person, firm or corporation under contract with the NJPA in an effort to influence either the offering or non-offering of certain prices, terms, and conditions relating to this RFP which tends to, or does, lessen or destroy free competition in the letting of the Contract sought for by this RFP, and
3. The Proposer or any person on his/her behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the proposal or award of the referenced contract, and
4. Neither I, the Proposer, nor, any officer, director, partner, member or associate of the Proposer, nor any of its employees directly involved in obtaining contracts with the NJPA or any subdivision of the NJPA, has been convicted of false pretenses, attempted false pretenses or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985, and
5. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the proposal submittal, and
6. If awarded a contract, the Proposer will provide the equipment/products and services and/or services to qualifying members of the NJPA in accordance with the terms, conditions, scope of this RFP, Proposer offered specifications and other documents of this solicitation, and
7. The undersigned, being familiar with and understand the expectations requested and outlined in this RFP under consideration, hereby proposes to deliver through valid requests, Purchase Orders or other acceptable forms ordering and procurement by NJPA Members. Unless otherwise indicated, requested and agreed to on a valid purchase order per this RFP, only new, unused and first quality equipment/products and related services are to be transacted with NJPA Members relating to an awarded contract, and
8. The Proposer has carefully checked the accuracy of all proposed products/equipment and related services and listed total price per unit of purchase in this proposal to include shipping and delivery considerations. In addition, the Proposer accepts all general terms and conditions of this RFP, including all responsibilities of commitment as outlined and proposed, and
9. In submitting this proposal, it is understood that the right is reserved by the NJPA to reject any or all proposals

and it is agreed by all parties that this proposal may not be withdrawn during a period of 90 days from the date proposals were opened regarding this RFP, and

10. The Proposer certifies that in performing this Contract they will comply with all applicable provisions of the federal, state, and local laws, regulations, rules, and orders, and
11. The Proposer understands that submitted proposals which are marked “confidential” in their entirety, or those in which a significant portion of the submitted proposal is marked “nonpublic” **will not** be accepted by NJPA. Pursuant to Minnesota Statute §325C.01, subd. 5 and §13.03, subd. 1, only specific parts of the proposal may be labeled a “trade secret”. All proposals are nonpublic until the contract is awarded; at which time, both successful and unsuccessful vendors’ proposals become public information.
12. The Proposer understands and agrees that NJPA will not be responsible for any information contained within the proposal. Should Vendors not comply with the labeling and packing requirements, proposals will be released as submitted.
13. By signing below, the Proposer understands it is his or her responsibility as the Vendor to act in protection of labeled information and agree to defend and indemnify NJPA for honoring such designation. Proposer duly realizes failure to so act will constitute a complete waiver and all submitted information will become public information; additionally failure to label any information that is released by NJPA shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands and agrees to comply with the terms and conditions specified above.

Company Name: _____

Contact Person for Questions: _____

(Must be individual who is responsible for filling out this Proposer's Response form)

Address: _____

City/State/Zip: _____

Telephone Number: _____ Fax Number: _____

E-mail Address: _____

Authorized Signature: _____

Authorized Name (typed): _____

Title: _____

Date: _____

Notarized

Subscribed and sworn to before me this _____ day of _____, 20_____

Notary Public in and for the County of _____ State of _____

My commission expires: _____

Signature: _____



OVERALL EVALUATION AND CRITERIA

For the Proposed Subject **“SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES”**

Conformance to terms and conditions to include documentation	50	
Pricing	400	
Financial, Industry and Marketplace Successes	75	
Bidder's Ability to Sell and Service Contract Nationally	100	
Bidder's Marketing Plan	50	
Value Added Attributes	75	
Warranty Coverages and Information.	50	
Selection and Variety of Products and Services Offered	200	
Total Points	1000	0

Reviewed by: _____ Its _____
 _____ Its _____



PROPOSER QUESTIONNAIRE
Products/Equipment, Pricing, Sector Specific, Services, Terms and Warranty

Proposer Name: _____

Questionnaire completed by: _____

Payment Terms and Financing Options

- 1) Identify your payment terms if applicable. (Net 30, etc.)
- 2) Identify any applicable leasing or other financing options as defined herein.
- 3) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member's final Contract phase process).
 - a. Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will the Dealer accept the P.O.?), and how are we to verify the specific dealer is part of your network?
- 4) Do you accept the P-card procurement and payment process?

Warranty

- 5) Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.
- 6) Do all warranties cover all products/equipment parts and labor?
- 7) Do warranties impose usage limit restrictions?
- 8) Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?
- 9) Please list any other limitations or circumstances that would not be covered under your warranty.
- 10) Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair?

Equipment/Products and Related Services and Pricing

- 11) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.
- 12) Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).
- 13) Please quantify the discount range presented in this response pricing as a percentage discount from MSRP/published list.
- 14) Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.
- 15) Propose a strategy, process, and specific method of facilitating "Sourced Product/Equipment and Related Services" (AKA, "Open Market" items or "Non-Standard Options").
- 16) Provide your NJPA customer volume rebate programs, as applicable.
- 17) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is **NOT** included "Pricing" submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.
- 18) If freight, delivery or shipping is an additional cost to the NJPA member, describe in detail the complete shipping and delivery program.

- 19) As an important part of the evaluation of your offer, you must indicate the level of pricing you are offering.
Prices offered in this proposal are **(Your proposal will be deemed “Non-Responsive” if this question is not answered)**:
- _____ a. Pricing is the same as typically offered to an individual municipality, Higher ed or school district.
 - _____ b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
 - _____ c. Better than typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- 20) Do you offer quantity or volume discounts? _____ YES _____ NO Outline guidelines and program.
- 21) Describe in detail your proposed exchange and return program(s) and policy(s).
- 22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services
- 23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Industry or Sector Specific Questions

24) NA

Signature: _____ Date: _____



11. PRE-SUBMISSION CHECKLIST

Pre-submission Checklist

- ☐ Have you read, and do you understand the intent this RFP?
- ☐ Have you attended the Pre-Proposal Conference for this RFP?
- ☐ Have you completed the questionnaires (Forms A & P) to the best of your ability?
- ☐ Have you submitted pricing for all of the product/equipment and related services you are proposing within the scope of this RFP?
- ☐ Have you packaged your Proposal submission identifying conspicuously “Competitive Proposal Enclosed, Please hold for public opening XX-XX-XXX”?
- ☐ Have you sent your package in sufficient time for physical delivery at 202 12th ST NE Staples, MN 56479 to occur prior to the deadline for delivery?
- ☐ Have you submitted hard copy original signed, completed, and dated forms C, D, E, and hard copy signed signature page only from forms A and P of this RFP?
- ☐ Have you submitted verification of liability insurance with the coverage and limits required in the RFP?
- ☐ If any addendum/s to RFP were issued, have you submitted a signed copy of such addendum/s?
- ☐ Have you provided an electronic copy (saved on a CD or flash drive) of your **entire** proposal including, but not limited to, Forms A, B, C, D, E, F, & P in your proposal?

Contents of your Proposal response:

- ☐ **Hard copy original signed, completed, and dated forms C, D, F, and hard copy signed signature page only from forms A and P.**
- ☐ **Electronic submission of proposal forms A, B, C, D, E, & P (CD or flash drive).**
- ☐ **Certificate of Insurance (demonstration of insurability)**

FORM TITLES

Form A	Proposer Questionnaire – General Business Information
Form B	Proposer Information
Form C	Exceptions to Proposal, Terms, Conditions, and Solutions Request
Form D	Formal Offering of Proposal
Form E	Contract Acceptance and Award
Form F	Proposer Assurance of Compliance
Form G	Overall Evaluation and Criteria
Form P	Proposer Questionnaire – Products/equipment, Pricing, Sector Specific, Services, Terms and Warranty



NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM

Section 1. Instructions For Vendor

Pursuant to section 4 of the NJPA RFP, requests for equipment/products or service changes, additions or deletions will be allowed at any time throughout the awarded contract term. All requests must be made in written format by completing sections 2, 3 and 4 of the NJPA Price and Product Change Request Form and signature of an authorized Vendor employee in section 5. All changes are subject to review and approval by the NJPA Contracts & Compliance Manager, signed in acceptance by the NJPA Executive Director and acknowledged by the NJPA Contract Council. Submit request via email to your Contract Manager **AND: PandP@njpacoop.org**.

NJPA's due diligence in analyzing any request for change is to determine if approval of the request is: 1) within the scope of the original RFP and 2) in the "Best Interests of NJPA and NJPA Members." A signed Price and Product Change form will be returned to vendor contact via email.

Vendor must complete this change request form and individually list or attach all items or services subject to change, provide sufficiently detailed explanation and documentation for the change, and include a complete restatement of pricing document in appropriate format (preferably Excel). The pricing document must identify all equipment/products and services being offered and must conform to the following NJPA product/price change naming convention: (Vendor Name) (NJPA Contract #) (effective pricing date); for example, "COMPANY 012411-CPY eff 02-12-2013."

NOTE: New pricing restatement must include all equipment/products and services offered regardless of whether their prices have changed and include a new "effective date" on the pricing documents. This requirement reduces confusion by providing a single, current pricing sheet for each vendor and creates a historical record of pricing.

ADDITIONS. New equipment/products and related services may be added to a contract if such additions are within the scope of the RFP.

DELETIONS. New equipment/products and related services may be deleted from a contract if an item or service is no longer available and thus not relevant to the contract; for example, discontinued, improved, etc.

PRICE CHANGES: Request price changes in general terms along with the justification by product category for the change; for example, a 3% increase in XYZ Product Line is due to a 3% increase in petroleum, or this list of SKUs/product descriptions is increasing X% due to X% increase in cost of raw materials.

Price decreases: NJPA expects Vendors to propose their very best prices and anticipates price reductions are due to advancement of technologies and market place efficiencies.

Price increases: Typical acceptable increase requests include increases to Vendor input costs such as petroleum or other applicable commodities, increases in product utility of new compared to old equipment/product or service, etc. Vendor must include reasonable documentation for the claims cited in their request along with detailed justification for why the increase is needed. Special details for price changes must be included with the request along with both current and proposed pricing. Appropriate documentation should be attached to this form, including letters from suppliers announcing price increases.

Refer to section 4 of the RFP for complete "Pricing" details.

Section 2. Vendor Name and Type of Change Request

APPLY:

AWARDED VENDOR
NAME: _____

CHECK ALL CHANGES THAT

- ☐ Adding Products/Services
- ☐ Deleting/Discontinuing Products/services
- ☐ Price Increase



NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM

NJPA CONTRACT
NUMBER: _____

☐ Price Decrease

Section 3. Detailed Explanation of Need for Changes

List equipment/products and/or services that are changing, being added or deleted from previous contract price list along with the percentage change for each item or category. (Attach a separate, detailed document if more than 10 items.)

Provide a general statement and documentation explaining the reasons for these price and/or product changes.

SAMPLES: 1-All paper equipment/products and services increased 5% in price due to transportation and fuel costs (see attached documentation of raw materials increase). 2-The 6400 series floor polisher is added to the product list as a new model replacing the 5400 series. The 6400 series 3% increase reflects technological improvements made that improve the rate of efficiency and useful life. The 5400 series is now included in the "Hot List" at a 20% discount from previous pricing until remaining inventory is liquidated.

If adding product/s, provide a general statement how these are in the scope.

If changing prices and/or products, provide a general statement that the pricing is consistent with existing NJPA contract pricing.



NJPA VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM

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Section 4. Complete Restatement of Pricing Submitted

A COMPLETE restatement of the pricing including all new and existing equipment/products and services is attached and/or has been emailed to PandP@njpacoop.org.

☐ Yes

☐ No

Section 5. Signatures

Vendor Authorized Signature

Date

Print Name and Title of Authorized Signer

NJPA Executive Director Signature

Date



ADDENDUM ONE (1)

To that certain

NJPA RFP #022014

Issued by

National Joint Powers Alliance®

For the procurement of

SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES

Consider the following to be part of the above titled RFP:

- 1) Questions submitted by Potential Responders at the Pre-Proposal Conference on February 6, 2014 are listed in black font and NJPA Answers are listed in blue:**

Q: What percentage of your client base are public works departments versus school systems.

A: Approximately 30% of NJPA's membership is in Government and about 40% of membership is in Education.

Q: How many contracts do you expect to award in this category?

A: Per section 1.13 of the RFP, NJPA's intent is to award a contract to a single exclusive vendor but reserves the right to award to multiple Proposers where the result of the responding Proposers justifies a multiple award and multiple contracts are deemed to be in the best interests of the NJPA member agencies.

Q: Clarify the normal purchase order and payment flow for a manufacturer that utilizes distributors. manufacturer accepts order from distributor, and manufacturer pays admin fee to NJPA quarterly?

A: When a vendor is awarded an NJPA contract all authorized distributors/dealers are able to sell through the contract. The PO would be accepted at the distributor/dealer level and the administrator/manufacturer would be responsible to submit a cumulative sales report to NJPA on a quarterly basis with admin fee payment.

Q: How and where in your point scale will you recognize a successful previous NJPA awarded vendor?

A: Form A questions address this and could be reflected in a number of different criteria including but not limited to: Industry & Marketplace Success and Ability to Sell and Service Nationwide.

ACKNOWLEDGMENT OF ADDENDUM ONE (1) TO RFP DISTRIBUTED VIA EMAIL ON FEBRUARY 6, 2014

COMPANY NAME: _____

SIGNATURE: _____

DATE: _____



Formal Offering of Proposal
(To be completed Only by Proposer)

SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES.

In compliance with the Request for proposal (RFP) for "SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES", the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: Envirosight

Date: February 18, 2014

Company Address: 111 Canfield Ave Unit B3

City: Randolph

State: NJ

Zip: 07869

Contact Person: Tammy Smith

Title: Customer Care Specialist

Authorized Signature (ink only):

A handwritten signature in ink, appearing to read "Richard Lindner", is written over a horizontal line.

Richard Lindner

(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 022014 Sewer Vacuum, Hydro Excavation, +/- Street
Sweeper Equipment with related accessories & supplies.
EnviroSight
Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be March 18th, 20 14 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: Dr. Chad Coquette
NJPA Executive Director

(Name printed or typed)

Awarded this 18th day of March, 20 14 NJPA Contract Number # 022014-EVS

NJPA Authorized signature: Scott Veronen
NJPA Board Member

(Name printed or typed)

Executed this 18th day of March, 20 14 NJPA Contract Number # 022014-EVS

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name EnviroSight

Vendor Authorized signature: Richard Lindner

(Name printed or typed)

Title: President

Executed this 21st day of March, 20 14 NJPA Contract Number # 022014-EVS

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS
AND SOLUTIONS REQUEST**

Company Name: EnviroSight

Note: **Original must be signed** and inserted in the inside front cover pouch.

Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA and may or may not be included in the final contract. NJPA may clarify exceptions listed here and document the results of those clarifications in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception		

Proposer's Signature:

A handwritten signature in black ink, appearing to be "Z. J. [unclear]", is written over a horizontal line.

Date:

2/18/14



Formal Offering of Proposal
(To be completed Only by Proposer)

SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES.

In compliance with the Request for proposal (RFP) for "SEWER VACUUM, HYDRO-EXCAVATION, AND/OR STREET SWEEPER EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES", the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: Envirosight

Date: February 18, 2014

Company Address: 111 Canfield Ave Unit B3

City: Randolph

State: NJ

Zip: 07869

Contact Person: Tammy Smith

Title: Customer Care Specialist

Authorized Signature (ink only):

Richard Lindner

(Name printed or typed)



Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 022014 Sewer Vacuum, Hydro Excavation, +/- Street
Sweeper Equipment with related accessories +
supplies.

EnviroSight


Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be March 18th, 20 14 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature: Dr. Chad Coquette
NJPA Executive Director


(Name printed or typed)

Awarded this 18th day of March, 20 14 NJPA Contract Number # 022014-EVS

NJPA Authorized signature: Scott Veronen
NJPA Board Member

Scott Veronen
(Name printed or typed)

Executed this 18th day of March, 20 14 NJPA Contract Number # 022014-EVS

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name EnviroSight

Vendor Authorized signature:

Richard Lindner
(Name printed or typed)

Title: President

Executed this 21st day of March, 20 14 NJPA Contract Number # 022014-EVS



PROPOSER QUESTIONNAIRE
Products/Equipment, Pricing, Sector Specific, Services, Terms and Warranty

Proposer Name: EnviroSight

Questionnaire completed by: Tammy Smith

Payment Terms and Financing Options

1) Identify your payment terms if applicable. (Net 30, etc.)

Envirosight's standard payment Terms are Net 30

2) Identify any applicable leasing or other financing options as defined herein.

Envirosight does not offer any leasing or financing, if the member needs financing they are responsible for securing the loan on their own. Most Sales Partners have local regional leasing companies that they can refer members to for leasing requirements.

3) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA member's final Contract phase process).

- a. Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will the Dealer accept the P.O.?), and how are we to verify the specific dealer is part of your network?

See attached order process
(*NJPA Order Process.pdf)

4) Do you accept the P-card procurement and payment process?

No currently we do not accept the P-card

Warranty

5) Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.

Envirosight Products carry a one year manufacture warranty; the statements with full details are attached along with a procedure for placing a claim.

(*file names – verisight warranty.pdf, QV warranty.pdf, Rovver warranty.pdf, supervision warranty.pdf)

6) Do all warranties cover all products/equipment parts and labor?

Yes, for repairs related to manufacture's defect.

7) Do warranties impose usage limit restrictions?

No, however, some wear items are not typically covered under warranty.

8) Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?

No, warranty work must be performed at a local service site.

9) Please list any other limitations or circumstances that would not be covered under your warranty.

1. Equipment, which has been damaged due to:

*Accident, misuse, abuse, fire, flood or "acts of God," or other contingencies beyond the control of EnviroSight

*Connection to incorrect power supply or line voltages.

*Use in contravention of operating instructions.

*Cables/connectors damaged by accident or misuse.

*Improper or unauthorized repairs.

2. Damage to warranted items sustained in shipment to purchaser.

3. Equipment that has had any of its identification, instructional or "sealing" labels removed or tampered with.

4. Any unit, which has had its serial number altered, defaced or removed.

EnviroSight, LLC will not be responsible for any changes, modifications or repairs, either in cost or consequence, made by personnel not authorized by EnviroSight, LLC.

EnviroSight, LLC will not be responsible for the loss of or damage to equipment while in the possession of any authorized or unauthorized service agency.

EnviroSight, LLC reserves the right to make changes in design and improvements upon its products without assuming any obligations to install such changes upon any of its products previously manufactured.

10) Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair?

Any member that does not have a Certified Service center in their region can ship their equipment directly to EnviroSight in NJ via UPS, Freight Carrier, or method of their choice for warranty consideration.

Equipment/Products and Related Services and Pricing

- 11) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

Envirosight provides camera equipment that is used to inspect underground infrastructure such as sewer and drainage piping. These products range in versatility, functionality, range, visibility, adaptability, and measurement. Our products assist in maintaining the underground infrastructure without having to send people into confined spaces. We also offer reporting software to document inspections completed, complete inspection vehicles, and service and support of products purchased.

- 12) Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).

Our pricing catalog is set up by product line beginning with the main system components and then followed by all available accessories for that particular product. Each product has its own labeled tab in the Excel Workbook.

Product Lines are as follows:

Rovver X– System, Individual Components, Accessories

SuperVision – SV & SAT Systems, Individual Components, Accessories

Crawler Accessories – Wheels & General Accessories used with both the Rovver X and Supervisions Systems

Verisight – Systems, Accessories

QuickView – Systems, Viewing Devices, Accessories

JetScan – Systems, Accessories

Builds – Outpost Inspection Platform, Buildouts to customer provided vehicles

WinCan – inspection software and hardware

Chassis – vehicle chassis for buildouts

- 13) Please quantify the discount range presented in this response pricing as a percentage discount from MSRP/published list.

Envirosight will offer a 2% Discount off the List Price as noted in the pricelist.

- 14) Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.

Pricing Workbook is attached. Envirosight will offer a 2% discount to members on all items listed on the contract, which include the contract fee built into the price.

Part Numbers and Descriptions are listed for each item as well as product literature and specifications (where applicable) are attached.

(*file attached – PRICE LIST – NJPA RFP022014 Pricelist FINAL.xlsx)

(*files attached – Product Literature and Build Documents – quickview.pdf, rovverx.pdf, supervision.pdf, supervisionsat.pdf, ds_brocure.pdf, supervision_wheels_display.pdf, transport_outpost.pdf, verisightpro.pdf, jetscan.pdf, Box Truck Worksheet.pdf, Cargo Van Work Sheet.pdf, Nissan NV Worksheet.pdf, Sprinter Worksheet.pdf, Trailer Worksheet.pdf, rvx_dex5000.pdf, rvx_rx400.pdf, rvx_rx95.pdf, rvx_sat.pdf, verisightpro_vsp360.pdf, rvx_vs.pdf)

15) Propose a strategy, process, and specific method of facilitating "Sourced Product/Equipment and Related Services" (AKA, "Open Market" items or "Non-Standard Options").

In regards to Sourced products or Non-Standard Options Envirosight would like to propose that a member may have on their order Sourced or Non-Standard Options that do not exceed 25% of the total value of the Purchase Order. This allows for items that are not commonly ordered to be made available to members while utilizing the contract. We have found this option very helpful in other contracts.

Example – if a Purchase Order was \$60,000.00, the member may have up to \$15,000.00 of Sourced or Non Standard Options on the Order as well. These options may only be items that would work in conjunction with the main base system that is purchased.

16) Provide your NJPA customer volume rebate programs, as applicable.

Envirosight would consider volume discounts / rebates but these would be on a case by case basis.

17) Identify any Total Cost of Acquisition (as defined herein) cost(s) which is NOT included "Pricing" submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.

All Sales are FOB Randolph with the exception of Truck Builds which would be FOB Evans City, PA (location of Envirosight truck build facility)

When the equipment is delivered to the member it will be ready to use as is, no other cost to operate the equipment will be required. Additional training charges may be charged at the dealers discretion based on the equipment ordered.

Shipping costs are the members responsibility and not part of the pricing submitted and will be charged as a separate line item on the invoice to the member.

18) If freight, delivery or shipping is an additional cost to the NJPA member, describe in detail the complete shipping and delivery program.

Freight, delivery or shipping is an additional cost to the member. Shipping rates vary on the type of equipment ordered and the service that is used to deliver.

Envirosight uses UPS and UPS Freight as our preferred shipping methods, however if the member has an account with either UPS or another shipping company we can use this as an alternative and will be charged to the member from the company that they requested.

Delivery of trucks is based on mileage and expenses to and from the delivery address.

19) As an important part of the evaluation of your offer, you must indicate the level of pricing you are offering. Prices offered in this proposal are (Your proposal will be deemed "Non-Responsive" if this question is not answered):

_____ a. Pricing is the same as typically offered to an individual municipality, Higher ed or school district.

☒ b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.

_____ c. Better than typically offered to GPOs, cooperative procurement organizations or state purchasing departments.

20) Do you offer quantity or volume discounts? ☐ YES ☐ NO Outline guidelines and program.

Envirosight would consider quantity or volume discounts on a case by case basis based on the terms of the sale.

21) Describe in detail your proposed exchange and return program(s) and policy(s).

Due to the extremely specialized and customized equipment Envirosight offers, exchanges and returns will be considered on a case by case basis only.

22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/ equipment and related services

Programs are the same as above.

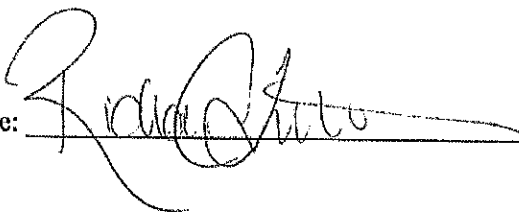
23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Because Envirosight mainly sells through our dealer network we are going to request that when any sale comes through as a sale made from the NJPA contract it be noted on the Purchase Order and a copy of the members Purchase Order must accompany their order. These orders will be then flagged with a note that this is an NJPA order and that an administrative fee must be paid on this. This will allow our accounting department to calculate the fee and issue payment to NJPA in a timely fashion.

Industry or Sector Specific Questions

24) NA

Signature: _____



Date: _____

2/18/14

1.0 Pan & Tilt Zoom Camera (Color)		Yes	No	Exception
1.1	Camera must have pan & tilt function with motorized controls to allow the operator to change the viewing angle from the camera controller.	X		
1.2	Pan and tilt features must be managed by use of a joystick	X		
1.3	Camera must have minimum120X Zoom, 10X Optical and 12X Digital	X		
1.4	Camera rotation must be controllable between 2 speeds of rotation	X		
1.5	Camera must have automatic joint panning operated from a single button press	X		
1.6	Camera must have pre-programmed panning positions at 45 degrees and 90 degrees	X		90 DEGREES ONLY
1.7	Camera must provide a clock position graphical overlay on screen to provide information on viewing angle. Giving the operator at a glance the ability to confidently tell what clock position the camera is viewing	X		
1.8	Camera shall have automatic focus that will focus to the pipe will without user intervention. The focus must also have remote focus controls that can be changed from the camera operation controller.	X		
1.9	Camera shall have automatic iris and manual iris that adjust light sensitivity based on pipeline conditions.	X		
1.10	Camera automatic iris must be able to be manually adjusted by operator for enhanced operation.	X		
1.11	Camera iris must be able to be reset back to automatic while in operation with the camera operation joystick.	X		
1.13	Camera must internally contain two projected laser diodes spaced no less than 1.35” apart, which can be used for reference measurement using visible light laser with optional software program.	X		
1.14	Graphical warning labels must be affixed to warn of laser light and identify the laser classification.	X		
1.15	The camera housing must be pressurized to a minimum of 1 bar to avoid water ingress from damage. A low-pressure situation will alert the operator with an audible tone and text message on the camera controller's diagnostic display.	X		NO AUDIBLE TONE - VISUAL WITH POP-UP THAT REQUIRES OPERATOR ACKNOWLEDGE
1.16	Camera pressurization must utilize dehumidified air. The use of additional gasses that require additional purchases will not be deemed acceptable		X	WE RECOMMEND CO2 OR N GAS - READILY AVAILABLE. LANGUAGE IS PROPRIETARY.
1.17	The pressurization valve must be located on the rear of the camera housing with a protective plastic cap.	X		
1.18	Camera shall have built-in white LED lights to illuminate the interior of the pipeline. Light groups must be connected in parallel so that the failure of 1 LED does not affect other LEDs	X		
1.19	Camera must have auto upright picture control to insure video image is correctly displayed on the monitor with the top of the pipe always at the top of the video monitor screen	X		
1.29	Camera CCD imaging chip must have a minimum of 380,000 pixels	X		
1.3	Camera aperture angle / FOV shall be no more than 58 degrees diagonal on the wide view and no more than 6.5 degrees diagonal on the telephoto view.	x		
1.31	Camera photosensitivity shall be no more than 1.5 lux	X		
1.32	Camera resolution shall be capable of producing high quality color video images with a readable resolution no less than 420 HTV lines	X		
1.34	Camera must have 360 degrees of continuous rotation.	X		
1.35	Camera rotation must be on the horizontal axis of the main connector with a slip ring through the geometric center of the camera to reduce unnecessary strain on moving parts and connectors during operation.	X		
1.36	Camera must have 240 degrees of total pan	X		
1.37	Camera rotation must be controllable between 2 speeds of rotation	X		
1.38	Camera must have automatic joint panning operated from a single button press	X		
1.39	Camera must have pre-programmed panning positions at 45 degrees and 90 degrees	X		
1.40	Camera lens window must be a minimum of 1.25” in diameter to allow maximum lighting through the lens to the imaging chip.	X		
1.41	Camera must have a built-in radio sonde transmitter . The transmitter shall be able to be powered off or on remotely without interruption to the camera operation.	X		SONDE IS IN CRAWLER BUT ALL FUNCTIONALITY COMPLIES.
1.42	Camera must be able to operate in a minimum 6” diameter pipeline and be no longer than 6.5” in overall length	X		
1.43	Camera shall have a zero (home) position where the camera views straight ahead and the upright picture control automatically enables	X		
1.44	Camera housing must be cylindrical in design with long radius edges and no protruding surfaces to catch on during operations.	X		
1.45	All fasteners used on the camera must be recessed so that there is no protruding fasteners to catch during operations	X		
1.46	Camera must have a pipe size overlay to measure pipe diameter sizes.	X		
1.47	Camera shall have side scanning and profiling capability.	X		
1.48	Camera housing must be constructed of hard-anodized high strength aluminum with a documented testing of shock resistance of 1 kg / height of fall 27.5”.	X		
1.49	Camera light housing must be constructed of high strength polycarbonate with a documented testing of shock resistance of 1 kg / height of fall 15.75”	X		
1.50	Camera lens protective front window shall be constructed of a special glass with a documented testing of shock resistance of 1 kg / height of fall 15.75”	X		
1.51	Illumination provided by a minimum of 40 LED's that deliver a 13,000-lux reading at 1' and a 3-lux reading at 25'	X		
1.52	Camera protection class shall meet a minimum of an IP68 to IEC 529 rating	X		
1.53	All electronic PCBs shall be connected to one another without the need of soldering for ease of service and repair. Any camera with PCB's that require soldering will be deemed unacceptable.	X		
1.54	A total camera weight of no more than 5 lbs.	X		
1.55	A tool and spares kit, protective connector cap, spare lens cap, seal lubricant, insertion tool(s) and watertight plastic storage transport case must be provided	X		
		Yes	No	Exception
2.0 Robotic Crawler / Tractor (Small)				
2.1	Crawler / Tractor must be able to operate in a minimum 4” diameter pipeline with enough clearance to negotiate offsets and debris.	X		
2.2	Crawler / Tractor shall be designed utilizing wheels / tires as it's mode of propulsion. Tracked crawlers or other modes of propulsion shall be deemed unacceptable.	X		
2.3	Crawler / Tractors shall be a minimum of four wheel drive.	X		
2.4	Crawler / Tractor must be steerable with each side able to be independently operated to provide skid-steer style of turning. Tractor must have two internal motors for this operation.	X		
2.5	Crawler / Tractor must be no longer than 14 inches in length. Any tractors longer than 14 inches shall be deemed unacceptable.	X		

2.6	Simple locking mechanism for the camera providing secure, easy attachment with 1-bar waterproof rating.	X		
2.7	Crawler / Tractor shall have a minimum of two drive motors.	X		
2.8	Crawler / Tractor must have a dual swivel cable connector allowing for both X & Y axis to pivot.	X		
2.9	Must be able to be fitted with multiple camera connection configurations. Configuration shall include: * Fixed position connection * Movable connection to assist in positioning in confined areas and providing camera protection during impact with objects * Connection that allows the addition of an auxiliary light ring * Adjustable lift for large diameter pipelines Each optional connector must accept a minimum of five (5) camera options without the need for additional, ancillary or auxiliary adaptors.		x	Multiple camera connection configs are available. 5 camera options are available. Adjustable lift not useful with small crawler. Aux light ring not useful with small crawler.
2.10	Crawler / Tractor must have continuously adjustable speed with speed set (cruise control).	x		
2.11	Crawler / Tractor must have ATC (anti tilt compensation) that will automatically steer the tractor so that it does not ride up on the pipe wall and capsize.	x		Our ATC does not steer for the operator -
2.12	* The anti-tilt compensation shall maintain the tractor on a level plane within the pipeline during operation without operator input.			this allows operator to maintain control at
2.13	* The anti-tilt compensation shall operate in both forwards and reverse.			all times. Our ATC alerts operator and
2.14	Any tractors without ATC (anti tilt compensation) to maintain a level plane shall be deemed unacceptable.			informs how to steer out of potential tilt.
2.15	The crawler / tractor housing must be pressurized to a minimum of 1 bar to avoid water egress from damage.	x		
2.16	* A low-pressure situation will alert the operator with an <u>audible tone</u> and <u>text message</u> on the controller's diagnostic display.			No audible tone - text & required acknowledgement.
2.17	Systems that do not have both on screen pressure display and audible alarm may be deemed unacceptable.			
2.18	Pressurization of the crawler / tractor unit shall be field serviceable utilizing readily available supplies.	x		
2.19	The crawler / tractor may be supplemented with various wheel sets, a tractor height extension, additional weights, and auxiliary LED lighting.	x		
2.20	Changing wheels shall be easily accomplished: preferred method is a tool less type of wheel change. Type: _____	X		
2.21	The crawler / tractor may be outfitted with an optional inclinometer module to monitor and log the pitch and roll of the tractor in the pipeline.	X		
2.22	* Grade must be displayed on screen during operation			
2.23	* Must be able to work with approved software's to produce usable reports and graphical view of the pitch or grade of the pipeline.			
2.24	Crawler / Tractor body must be manufactured from solid brass for weight and coated with a chrome finish to resist tarnishing and facilitate cleaning.		x	Tractor is aluminum and stainless steel. Well proven in field. This language is proprietary.
2.25	All fasteners must be manufactured from a non-corrosive material such as stainless steel or aluminum.	x		
2.26	Crawler / Tractor must have lowering hooks mounted to work in connection with a claw to enable insertion and extraction out of manholes with minimal risk to equipment	x		
2.27	The crawler / tractor shall include wheel sets for 4" clay, PVC, cast iron, and ductile pipe	x		
2.28	Tractor protection class shall meet a minimum of an IP68 to IEC 529 rating	x		
2.29	A tool and spares kit must be provided for maintenance of the tractor.	x		
		Yes	No	Exception
3.0 Robotic Crawler / Tractor (Medium)				
3.1	Crawler / Tractor must be able to operate in a minimum 6" diameter pipeline with enough clearance to negotiate offsets and debris.	X		
3.2	Crawler / Tractor shall be designed utilizing wheels / tires as it mode of propulsion. Tracked crawlers or other modes of propulsion shall be deemed unacceptable.	X		
3.3	Crawler / Tractor must be a minimum of four (4) wheel drive to generate traction necessary to crawl up to 1500" in a wet slippery pipe.	X		
3.4	Crawler / Tractor must be steerable with each side able to be independently operated to provide skid-steer style of turning. Tractor must have two internal motors for this operation.	X		
3.5	Crawler / Tractor must be no longer than 22 inches in length. Any tractors longer than 22 inches shall be deemed unacceptable. Shorter is preferable, State length:_____	X		LENGTH IS 12.2 INCHES
3.6	Maximum weight of the crawler / tractor of 20 lbs. with small wheels attached	X		
3.7	Crawler / Tractor must have a dual swivel cable connector, allowing both X & Y axis to pivot.	X		
3.8	Crawler / Tractor must have continuously adjustable speed with speed set.	X		
3.9	Crawler / Tractor shall have a front moveable camera connector, referred to as a base module, which will fold upwards to assist during insertion in confined areas.		X	ROVVER X CRAWLER HAS MORE CLEARANCE THAN OTHERS EVEN WITHOUT THIS FEATURE
3.10	The base module must be removable through utilization of a recessed connector.		X	BASE MODULE UNNECESSARY
3.11	Crawler / Tractor must have the ability to remove the base module and have the ability to add a lateral launching module to convert the tractor to a fully operational lateral launch robot.		X	SEPARATE CRAWLER USED FOR LATERAL LAUNCHING. MORE INFORMATION AVAILABLE IF NEEDED.
3.12	Crawler / Tractor must have anti tilt compensation that will automatically steer the tractor so that it does not ride up on the pipe wall and capsize. The anti-tilt compensation shall maintain the tractor in a level plane within the pipeline during operation. Any tractors without anti tilt compensation shall be deemed unacceptable.	X		DOES NOT STEER FOR THE OPERATOR - OPERATOR MAINTAINS CONTROL AT ALL TIMES.
3.13	Pressurization of the crawler / tractor shall be field serviceable with readily available supplies	X		
3.14	The crawler / tractor housing must be pressurized to a minimum of 1 bar to avoid water egress from damage. A low-pressure situation will alert the operator with an audible tone and text message on the camera controller's diagnostic display.	X		NO AUDIBLE TONE - VISUAL WITH POP-UP THAT REQUIRES OPERATOR ACKNOWLEDGE
3.15	Crawler / Tractor body must be manufactured from solid metallic material (non-corrosive) and coated with a chrome or other finish to resist tarnishing and facilitate cleaning.	X		
3.16	All fasteners must be manufactured from a non-corrosive material such as stainless steel or aluminum.	X		
3.17	Crawler / Tractor must have a remotely operated motorized camera-elevating device that allows the camera to be raised and lowered inside of pipeline during operation. Manual elevating of camera will be deemed unacceptable.	X		
3.18	Simple locking mechanism for the camera providing secure, easy attachment with 1-bar waterproof rating.	X		

3.19	Integral rearview color camera with LED lighting to be positioned at the top rear of the crawler / tractor body and not have any visible increase in the diameter of the crawler / tractor body or be integrated with the rear connector.	X		
3.20	Motorized camera elevator must be able to raise the camera vertically a minimum of 7" (Remotely operated, fits in a 10" pipe when mounted, no loss in camera functionality, field serviceable)	X		
3.21	Motorized camera elevator must have the ability to display the height of operation in percentage on the main control panel.	X		
3.22	Motorized camera elevator must be pressurized to a minimum of 1 bar to avoid water egress from damage. A low-pressure situation will alert the operator with an <u>audible tone</u> and <u>text message</u> on the controller's diagnostic display. Systems that do not have both on screen pressure display and audible alarm may be deemed unacceptable.	X		NO AUDIBLE TONE - VISUAL WITH POP-UP THAT REQUIRES OPERATOR ACKNOWLEDGE
3.23	Pressurization of the elevator device shall be field serviceable.	X		
3.24	Rear receptacle that allows cable attachment with threaded stainless-steel cable connector's outer barrel. No tools required	X		
3.25	Rear connector shall provide pull strength beyond the 1,000 lb. rated break strength of the cctv cable.	X		
3.26	Cable connector shall carry a lifetime warranty	X		
3.27	Ability to fit in an 8" pipe with top mount auxiliary lighting attached.	X		
3.28	Crawler / Tractor must have the ability to be operated without the use of a motorized camera-elevating device for smaller diameter pipelines. Protective caps and all hardware must be supplied for this mode of operation.	X		
3.29	Appropriate graphical warning stickers shall be affixed to warn of any potential pinch points on elevating device.	X		
3.30	Crawler / Tractor must have a milled sloped hook system with a lowering claw to quickly and efficiently insert and extract the tractor from manholes.	X		
3.31	The crawler / tractor may be supplemented with various wheel sets, additional weights, and auxiliary LED lighting to inspect pipeline up to 48" in diameter.	X		
3.32	Crawler / Tractor must have connection ports for two unique sizes of auxiliary light rings and have protective covers secured with a minimum of two fasteners.	X		TOOL-LESS QUICK RELEASE PROTECTIVE COVERS ARE STANDARD, BUT COVER IS AVAILABLE WITH TWO FASTENERS IF PREFERRED
3.33	All fasteners used on the tractor must be recessed so that no protruding fasteners catch during operations	X		
3.34	All electronic PCBs shall be connected to one another without the need of soldering for ease of service and repair. Any tractor with PCB's that require soldering will be deemed unacceptable.	X		
3.35	All electronic PCBs must be located in a single location on the tractor with a single access cover, O-ring sealed, and secured with a minimum of 6 fasteners for protection and ease of service and repair.	X		
3.36	A minimum of two drive motors. Motors must maintain full power even at lower speeds without depending on drawing more current to do so.	X		
3.37	An electronic clutch that can be engaged and disengaged without needing to move the crawler / tractor.	X		
3.38	All gearing and motors must be accessible from a single location on the tractor with a single access cover, O-ring sealed, and secured with a minimum of 8 fasteners for protection and ease of service and repair.	X		
3.39	The crawler / tractor may be outfitted with an inclinometer module to monitor and log the pitch and roll of the tractor in the pipeline.	X		THIS IS STANDARD - DOES NOT REQUIRE OPTION/ADDITION
3.40	The tractor shall include wheel sets for 6", 8", 10", 12" 15", 18", 24", 30", 36" diameter pipe.	X		
3.41	Types of wheels shall be suitable for pipe materials: Clay, PVC, Cast Iron, and Concrete	X		
3.42	Changing wheels shall be easily accomplished: preferred method is a tool less type of wheel change. Type: _____	X		TOOL-LESS - QUICK DISCONNECT STANDARD
3.43	Tractor protection class shall meet a minimum of an IP68 to IEC 529 rating	X		
3.44	A tool and spares kit must be provided for maintenance of the tractor.	X		
3.45	Optional : Auxiliary lighting system (LED lamps, Water proof design, rear viewing camera w/ LED lamp) for inspecting larger pipes.	X		
		Yes	No	Exception
4.0 Power Supply / Controller				
4.1	Power supply controller shall be rack mount design with remote control station and keyboard handling camera power and controls, tractor power and controls, text generation, diagnostics, and cable winch controls. Camera systems that require more than one mounted component will be deemed unacceptable.	X		
4.2	A second 18" monitor shall be located in the mechanical area for the manhole attendant.	X		
4.3	Control Station must have a minimum 24" diagonal, full-color adaptive touch screen for selecting options and controlling system functions.	X		
4.4	Control Station shall give a diagnostic readout of component pressure and issue an audible warning when pressure is low.	X		AS NOTED ABOVE, NO AUDIBLE WARNING IS GIVEN BUT OPERATOR IS NOTIFIED AND REQUIRED TO ACKNOWLEDGE
4.5	Remote Control Station shall display the current draw of both the light heads and each motor in the tractor by view of a bar graph representing percentage.	X		CURRENT DRAW IS DISPLAYED IN DIFFERENT UNITS
4.6	Remote Control Station shall allow for adjustment of brightness / intensity of both auxiliary light rings and camera lights, as well as be able to switch off individual light banks on the auxiliary light head.	X		
4.7	Power supply controller must have a graphic-oriented display generator to allow the operator to type on-screen text, display distance counter, camera inclination, and display date and time.	X		
4.8	On-screen text must have a minimum of 16 lines of text with a minimum of 53 characters per line.	X		
4.9	The controller must be capable accepting inputs for a minimum of 2 distance counters and switchable between meters and feet.	X		
4.10	The controller must be able to delete all text from the screen with the press of a single key.	X		
4.11	The power supply controller shall allow for a minimum of 10 color variations of overlay text to contrast on different backgrounds.	X		
4.12	The on-screen text generator must have a header field that will continuously display text at the desired location.	X		
4.13	The power supply controller shall allow the user to position each system field anywhere on the visible screen to prevent obstruction of view.	X		
4.14	The power supply controller must automatically identify which camera, tractor, and cable winch is connected to the system.	X		
4.15	The power supply controller must have a minimum of 1 composite video output, 1 S-Video output, and 1 composite video input.	X		

4.16	The power supply controller shall be able to operate push cameras, small and large tractors, and lateral launch systems should an upgrade be desired in the future.	X		
4.17	Tractor speed, speed set, direction, and steering must be operated from a multi-axis, multi-function joystick on the Remote Control Station. Forward and reverse must be controlled by an up or down motion, drift steering by side-to-side motion, and skid steering via rotation of the joystick. In addition, two function buttons must be supplied on the top of the joystick, one to set the speed and stop the tractor, the other to switch between cameras.	X		
4.18	Camera pan & tilt operations, auto-home, iris, and focus must be operated from a multi-axis, multi-function joystick to be mounted in the desktop area. Camera rotation must be controlled by side-to-side movement of the joystick, tilting by up and down movement of the joystick and focus and iris controlled by rotation of the joystick. In addition, two function buttons must be supplied, one to return the camera to the home position, the other to switch between iris controls.	X		
4.19	Joystick functions should automatically change based on power supply controller's recognition of the attached tractor or camera.	X		FUNCTIONS DO NOT NEED TO CHANGE BUT CONTROLLER AUTOMATICALLY RECOGNIZES WHICH COMPONENTS ARE ATTACHED
4.20	Joystick must have proportionate directional controls so that the speed of the tractor varies by the percentage from home to max.	X		
4.21	Power supply controller must have the capability to switch between right hand and left hand joystick configurations.	X		
4.22	Power supply controller must a have 360 degrees joint inspection function that will automatically turn the camera to an upright position and then slowly scan 360 degrees.	X		
4.23	Control Station must allow the operator the ability to electronically and remotely switch off and on the radio sonde transmitter in the camera head.	X		DEPENDING ON CONFIGURATION, SONDE WILL BE IN THE TRACTOR INSTEAD OF THE CAMERA
4.24	Remote Control Station must allow the operator the ability to electronically and remotely switch off and on the upright picture control of the camera head.	X		
4.25	When used with corresponding equipment, the power Remote Control Station must allow the operator the ability to electronically and remotely switch off and on the laser diodes, auto-focus, and control the zoom of the camera head.	X		
4.26	The Remote Control Station must allow the operator the ability to electronically and remotely switch off and on the automatic tilt compensation of the tractor.	X		
4.27	Remote Control Station must have an emergency stop button to remove all power to the downhole equipment.	X		
4.28	Power supply controller shall weigh no more than 10 lbs. for ease of installation and shipping.	X		
4.29	On-screen text entry and menu navigation shall be done on a standard QWERTY keyboard.	X		
4.30	Controller must have a USB port for interface with various computer software programs.	X		
4.31	The power supply controller must be able to be restarted without removing power to other components and via menu selection from the Remote Control Station.	X		
4.32	The power supply controller shall have a master power switch on the front of the unit.	X		
4.33	Power supply controller must have on-board help menus to aid in new user operation.	X		
4.34	Power supply controller menu system shall come standard with a minimum of 12 unique language settings.	X		WHY? WHICH 12 LANGUAGES ARE PREFERRED? I'M SURE WE CAN ACCOMMODATE IF NECESSARY.
4.35	Test Cable		X	NOT NEEDED
4.36	Remote "QWERTY" Keyboard for data entry.	X		
4.37	Power supply controller must be able to be reset to factory defaults by a maximum of 3 key presses.	X		
4.38	The power supply controller must have a function to calibrate the tractor mounted inclination meter and have the ability to calibrate within a minimum of +/- 5%.	X		
4.39	The power supply controller must be constructed from lightweight, extruded aluminum with a minimum of 4 sides with over 80% of the surface area ventilated.	X		
4.40	Wired Controller (option): controller capable of 360 degree rotation, 330 degree optical pan, Camera iris controls, focus over ride and zoom, camera lights & shutter control for light enhancement, camera diagnostics & Auto Home, all steering functions (forward / reverse / turning), All reel functions (retrieve, release and variable speed)	X		PAN IS 270 DEGREE
4.41	Wireless Controller Option: Control for pan and tilt zoom camera: 360 Degree rotate, 330 degree optical pan, Camera iris and focus override & zoom, Camera Lights and shutter control for light enhancement.	X		PAN IS 270 DEGREE
4.42	Camera Diagnostics & Auto Home, Transporter Cruise Control to set speed for hands off operation, all steering functions (forward / Reverse / turning), All reel controls (retrieve, release, variable speed)	X		
		Yes	No	Exception
5.0 Weight Kit				
5.1	Weight Kit must be consist of two (2) individual / combinable weight options	X		
5.2	Weights must be constructed out of chrome plated brass plates.	X		
5.3	Weight kit must attach to the tractor with no more than two (2) fasteners	X		
5.4	Tractor must be able to navigate six (6) inch pipe and have the ability to negotiate offsets and debris with weight attached	X		
5.5	Weight kit must distribute weight proportionally across the tractor length aiding in the improvement of traction.	X		
		Yes	No	
6.0 Cable System				
6.1	Cable system shall be capable of unwinding and winding in sync with the speed of the crawler. System shall also be capable of free wheeling.	X		
6.2	Cable should be a multi conductor cable that is field serviceable should a break or damage occur.	X		
6.3	A motorized system with sensors that monitor cable tension in order to coordinate cable feed/retrieval with direction and exact speed of crawler	X		
6.4	An Emergency stop button	X		
6.5	Ability to operate in both manual and automatic modes	X		
6.6	Teflon coated integral drip tray at bottom beneath the stored cable. Allows liquid to drain and collect in a single area. Tray may be removed without tools for emptying or cleaning.	X		
6.7	Two handles to be at the top left and right of the cable reel for moving and transport. The unit should have a total weight no more than 125 lbs.	X		
6.8	Ability to run automated software routines (cruise control, etc....) in which the reel, crawler / tractor and camera function are automatically coordinated to accomplish a specific task without operator intervention.	X		

6.9	Work with a remote wireless controller granting control of the crawler / tractor and reel while away from the primary controls	X		
6.10	Ability to perform all forward, backward, and different speed/torque functions without operator physically interacting with cable reel.	X		
6.12	Extension pulley arm for extending the cable drop point away from the cable reel	X		
6.13	Unit shall be equipped with a minimum of 1000 feet of cable with a capability of handling up to 1500 feet.	X		
6.14	System shall also allow the camera / crawler to be deployed to remote areas (100 feet) from the CCTV vehicle to a Manhole.	X		
		Yes	No	
7.0 Cable Protection (Downhole roller)				
7.1	Downhole roller to protect the cable at the invert	X		
	Downhole roller must be designed to spin freely to aid in reducing friction aiding in longer range inspections			
	· Must be able to be secured to rope or lowering winch			
	· Frame of roller must be constructed of aluminum			
	· Shall use minimum of 3 lock pins to keep cable in the roller track			
	Use of poles for lowering and locking the manhole roller into place is not acceptable for safety			
7.2	Roller must have the preferred radius that will aid in encouraging longer life of the inspection cable and reduce wear.	X		
7.3	Recommendation of a "tiger tail" or similar will not be accepted	X		
		Yes	No	Exception
8.0 Cable Protection 305/505 Roller				
8.1	Roller must connect to the cable reel to allow reel to maintain proper cable geometry when preforming remote inspections.	X		
8.2	Roller must have the preferred radius that will aid in encouraging longer life of the inspection cable and reduce wear.	X		
8.3	Roller must be of constructed of a steel frame and a nylon composite roller	X		
8.4	Must be attached via a single locking pin		X	IT IS POSSIBLE OUR ROLLER ATTACHES WITH TOOLS, BUT REMOVING IT IS TYPICALLY UNNECESSARY
	Rollers that attach with hardware that requires tools will be deemed unacceptable			
8.5	Roller must be able to be disengaged when not in use, and not require removal when not doing remote inspections.	X		ROLLER IS NON-MECHANICAL AND DOES NOT NEED TO BE DISENGAGED OR REMOVED
		Yes	No	Exception
9.0 Cab Chassis				
9.10	Chassis shall be American Made 4500 or greater	X		
9.20	PTO Capable	X		
9.30	Gas Engine (V8 or V10)	X		
9.40	6 Speed Automatic w/ PTO capability	X		
9.50	4 Wheel Drive	X		
9.60	Payload 9000 lbs. + (this is dependent on Requirements for Cargo box assembly)	X		
9.70	Spare tire to match	X		
9.80	Double battery system - Required	X		Available on Dodge. Available on Ford diesel model only. Ford diesel truck is ~\$9000.00 more than gas.
9.90	Heavy Duty Alternator	X		
9.10	Vinyl Seats (40/Console/40)	X		
9.11	Flooring - vinyl (No Carpet)	X		
9.12	Rear back up camera	X		
9.13	Radio - Bluetooth capable to provide hands free operation of a cell phone	X		
9.14	Battery saver on both batteries to protect from over drawing the batteries (12 V ProMax Heavy Duty Battery Protector by Priority Start)	X		Not available on Dodge
9.15	Color : White	X		
9.16	Auxiliary Power Outlet (2), 110-volt/400-watt inverter outlet	X		Not available on Dodge
9.17	Warrantee : 3 yr. Bumper to bumper / 5 year 60,000 mile on Drive train	X		
		Yes	No	Exception
10.0 Emergency Lighting				
10.1	Four corner flashing LEDs in the existing lighting components. (Code 3 or Similar)	X		
10.2	Front headlights to be Wig-Wag	X		
10.3	Rear mounted directional light bar 48" above the back door (amber w/8 light patterns) separate control unit. (CODE 3 Narrow Stick LED Directional Bar or Similar)	X		
10.4	Work lighting : downward facing LED flood lighting on each side and the rear of the box. Side Lights shall be 7"x9" LED steady burn scene lights, rear lights shall be minimum of two 3"x7" steady burn scene lights	X		
10.5	Additional mounted flashing LED: Two 4"x6" amber (Code 3 Prizm II or similar) on the front of the cargo box, one amber (1) SoundOff Signal Intersect on each front quarter panels, one (1) 4"X 6" amber (CODE 3 led Prizm II or similar) on each side of the Cargo box	X		
10.6	All emergency LED lights shall be linked to coordinate the flash patterns.	X		
10.7	Minimum of six (6) illuminated auxiliary switches to control emergency lighting (rear lighting shall be segregated) and work / scene lighting.	X		
		Yes	No	Exception
11.0 Cargo Box with Pass through				
11.1	Flooring - subflooring shall be aluminum (No wood)	X		
11.2	Two grab handles at the rear of the box	X		
11.3	Interior walls and ceiling : Kemlite material or similar	X		
11.4	Control room separate from the mechanical work area.	X		
11.5	Roof top Air Conditioning Unit : 13, 000 BTU minimum	X		
11.6	Bulkhead wall with passage door from control room to equipment room	X		
11.7	Safety Plus Visual viewing window in the bulkhead wall.	X		
11.8	Desktop work area.	X		
11.9	Above desk console with rack mount for Electronic equipment.	X		
11.10	Above Desk Storage Cabinet with LED lighting under the storage unit.	X		
11.11	Storage cabinet under the desk top in the Control Room	X		
11.12	Bench seat in viewing area	X		
11.13	110v LED dimmable lighting in the Control Room	X		
11.14	110V electrical outlets - dual receptacles (Minimum of two(2) in the Control Room and one(1) in the Equipment Room)	X		
11.15	12V courtesy light (one in Control Room and one in the Equipment Room) 15 minute timer connected to the side and rear door.		X	
11.16	Fire Extinguisher with bracket 4A:60B:C Rating (rechargeable)	X		

City of Flagstaff
Water Services Division
CCTV Vehicle Specification
March 2018

11.17	Down hole Pole Mounting Bracket Assembly or underfloor cabinet	X		
11.18	Two(2)110V LED lighting (24") in the Equipment Room (wall Mounted, one on each side)	X		
11.19	Easy access to the rear of the rack mounted power control unit (LED lighting in the rear of the cabinet is required.	X		
11.20	20 - gallon Wash-down system to include : 20 Gallon fresh water tank, electric water pump, 25' hose w/ reel, hose nozzle.	X		18gal
11.21	Electric Air Compressor with : small air tank, retractable air hose and 25' of hose and chuck	X		
11.22	Heavy Duty Tool Chest: 5 Drawers, roller bearing slides, capable of 100 lbs. per drawer, Powder Coated, lockable.	X		
11.23	Crane system mounted at the rear of the box to facilitate lifting Crawler / tractor in and out of the manhole.	X		Not needed due to light weight design of crawler and camera, but still quoted
11.24	Aluminum shelving units	X		
11.25	Heavy Duty storage cabinets	X		
11.26	Exterior Color: White	X		
11.27	Interior Walls Color: White	X		
		Yes	No	Exception
12.0 Computer Hardware / Software				
12.1	The field unit must include all hardware and software components needed for importing / exporting data, video recording and media hosting. List all equipment included and supply detailed specs and warranty coverage if included for system components	X		
12.2	Software modules or capabilities: Basic support, Node Inspection, Custom Codes, Scheduler, ESRI Interface, ESRI Import, Manhole Inspection, Cityworks Interface.	X		
12.3	System must be Neztex certified for Transferring databases to CityWorks and /or ArcGIS or similar systems. Any additional software / modules required to comply with these certifications shall be provided.	X		
12.4	Ability to sync work orders with the existing work order management system (Cityworks) bi-directionally (ability for the pipe software package to initiate a Cityworks maintenance work order directly)	X		
12.5	Software must be compatible with Microsoft Windows 10	X		
12.6	Software must be based on SQL Server	X		
12.7	Proposed software platform shall include version upgrades at no charge, so long as service contract is current.	X		
12.8	Pipeline inspection program shall be user friendly, uncluttered, with easy to follow menus.	X		
12.9	The software must have the ability to generate custom reports which display picture, video, and observation data accompanied by accurate footage	X		
12.10	Software display shall display real time video during inspection allowing the user to capture JPEG/BMP pictures, short and long video clips, and whole run videos into a file as well as the ability to pause the video in real time without the need to merge.	X		
12.11	System shall have the ability to stop the inspection or shut the computer down, and then restart the inspection and merge the session whole run videos into one file as well as have the ability to pause the video in real time without the need to merge.		X	WinCan VX stores the inspection data to the point of power loss but will not store the video.
12.12	Software must be able to retain the previous entered data fields regardless of power loss	X		
12.13	The software must have the ability to populate all specific asset information related to pipe segments into the various fields through preloaded data or a direct interface with the ARCGIS and Cityworks.	X		
12.14	Software to include manhole inspection	X		
12.15	User shall be capable of entering unlimited user observations	X		
12.16	GIS data must be able to import into field truck and pre-fill all known data for that inspection without requiring a separate license for GIS software on each truck.	X		
12.17	The user shall be able to search imported GIS data such as Asset ID, Start ID, End ID, last inspection and last asset (1 to 10) to add to project header information	X		
12.18	GIS data shall be easily entered in to the system and allow editing of existing data with user tracking.	X		
12.19	A free reader is provided for reviewing and printing all reports and data collected. JPEG files can be taken using the Reader from the mpeg file	X		
12.20	Pipe asset validation tool	X		
12.21	One click backup of database and all associated files	X		
12.22	A site sketch feature to allow crews to draw or sketch special details or locations about a particular setup.	X		WinCan Draw is included in all WinCan Packages
12.23	Computer system to be laptop based w/ docking station.	X		
12.24	Video monitors: (1) 24 inch LCD Monitor 1080 dpi or greater, and (1) 36 inch LCD monitor 1080 dpi or greater. Mounted on an arm type system.	X		
12.25	Video software program: IT Pipes or equal as approved by the City of Flagstaff	X		
12.26	ESRI partner - State the level (standard, silver, gold, platinum....) Level _____	X		Silver
12.27	Cityworks Partner - State the level (Standard, silver, gold, platinum.) Level _____	X		Silver
12.28	Data GIS Systems Remote Online Implementation Assistance (1 Yr.)	X		
12.29	Office Support Plan (1Yr.)	X		
12.30	Cloud base system capability	X		
12.31	The City of Flagstaff shall provide a minimum of one Laptop computer meeting the City of Flagstaff Specifications as well as the equipment manufacturers requirements. City of Flagstaff shall install its own version of Windows operating system and retain Administrative rights. A second unit may also be provided as a redundant system.	X		
12.32	5 days on-site training for software and CCTV system	X		
		Yes	No	Exception
13.0 Electrical Power -				
13.1	6 KW 120 Volt 60Hz EFI Commercial Grade Generator - noise attenuated Gas Operated, remote electric start / stop assembly	X		
13.2	4KW Inverter	X		
13.3	Generator Storage Compartment: External lockable access	X		
13.4	Commercial Power Supply Receptacle, and 25' cord and plug	X		
13.5	Electric Supply Center with Circuit Breaker Box	X		
13.6	Commercial power and Generator Power Connectors	X		
13.7	Automatic Power Transfer Switch	X		
13.8	Warning Light in cab to notify driver that Commercial Power Supply is connected.	X		
13.9	System Engineering Panel for Power Information and Generator information: Four function AC power Meter displaying Critical Power Information (Voltage, Hertz, Amperage	X		
13.1	Active Power Usage.	X		

13.12	Front Panel Selector Switch for three(3) modes of operation:	X		
13.13	Fixed Reading Continuous Auto-cycling	X		
13.14	Generator Battery Meter to display starting and charging voltage	X		
13.15	Generator Hour Meter	X		
13.16	Power shall be: Commercial Power, Generator, 12V / 110V Inverter, and 110V PTO Generator (Optional).	X		
		Yes	No	Exception
14.0 Miscellaneous				
14.1	Technical service located within 3 hour drive.	X		
14.2	Technical support during normal business hours AZ- Time (Phone and on-line)	X		
14.3	Loaner program for the Camera and tractor unit, available within 48 hours of notice.	X		

1	Cargo box
1	Ford F450 4X4
1	CCTV Camera System
1	Software - IT PIPES
	Software - WinCan
1	5 days total training, 2 days Eq and 3 Days software
	Emergency Lighting
1	Trade in allowance for 2003 Van&Equipment VIN 31138434
	Dodge 5500 Adjustment
	Sub-Total
	Manhole Scanning
	Total
	Spare parts not included in this proposal
	Spare parts listed on 02142018 Sheet 2.pdf

Rapid View

EnviroSight

	\$46,546.94	
	\$45,381.00	\$74,522.04
	\$142,665.06	\$117,683.80
	\$34,125.00	
		\$37,776.00
	\$3,500.00	\$4,750.00
		\$5,157.00
	-\$5,000.00	-\$8,000.00
		-\$3,324.04
	\$267,218.00	\$228,564.80
	\$120,044.28	\$71,050.00
	\$387,262.28	\$299,614.80

City of Flagstaff
Water Services Division
CCTV Inspection Vehicle Price Submittal
March 2018

Price:

CCTV Vehicle with Cargo Box per specifications	\$74,522.04
CCTV System	
Base CCTV System meeting specifications	117,683.80
Spare Controller	1,820.00
Small Tractor - Spare	12,740
Medium Tractor - Spare	16,816.80
Elevating device - Spare	12,765.52
Large Crawler / Tractor 24" - 48" capability	10,192
Spare parts	Included in Base Package
Spare Camera	23,951.20
Side scanning camera	35,500.50
Spare Wheels :PVC Pipe Full Range	6,372.56
Spare Wheels : Clay Pipe full range	3,880.72
Spare Wheels : Conrete Pipe 12" - 36"	5,729.18
Spare Wheels : CI / DI Pipe full Range	Same wheels as Concrete & Clay
Spare Wheels : AC Pipe 6' to 15"	Same as PVC wheels
Cable repair kit capable of 5 repairs	4,115.79
Manhole Scanning System	71,050.00
Dodge 5500 Deduct	(\$3,324.04)
Software	
Initial Installation: Proposed ____WinCan VX_____	
Modules Required to meet Specification	\$25,000
Annual Licensing - All required modules	\$4,656
Additional module for ESRI	\$0
Additional module for Cityworks	\$7,900
Cloud based system - Annual Service Fee	\$2,280
Emergency Lighting	\$5,157
Training - 5 days on-site training for both Software and CCTV System (Can be broken up in to two segments)	\$4,750
Add Alternate	
Trade in credit for 2003 Chevy 3500 Van (Mileage as of 3/28/2018 : 57,284 Miles VIN: 1GBJG314031138434) w/ Cues video inspection equipment including two tractor / crawlers cable, cameras, and miscellaneous parts.	\$8,000.00



CLEVER SCAN

portable, automated
manhole scanner

Envirosight

CLEVER SCAN

Manhole inspection is all about productivity and detail.

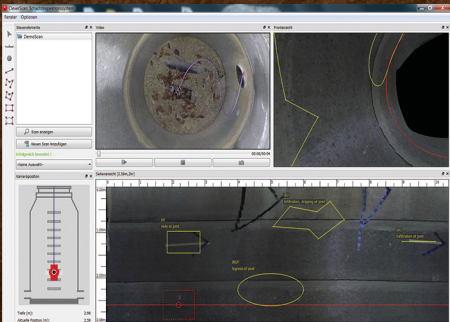
With the press of a button, CleverScan performs a rapid, high-res, fully automated manhole inspection. You get a flat scan that captures image detail from every inch of manhole wall, plus a dense point cloud that can be easily merged into any CAD or 3D application.

CleverScan's compact, lightweight design travels anywhere and deploys in minutes.



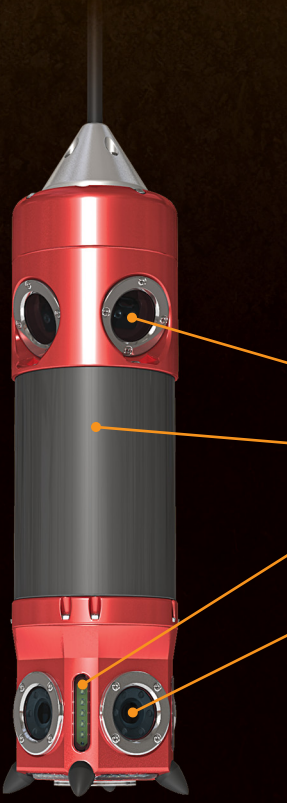
Capture Imagery

Using five HD cameras and powerful illumination, CleverScan builds a detailed image scan and captures video. The scan presents high-res detail from every inch of manhole wall, and allows an analyst to quickly scan for structural defects, infiltration and other features. The scan can also be annotated and measured using tools in CleverScan software, and WinCan's CleverScan module allows you to create detailed reports effortlessly.



Boost Productivity

CleverScan inspects a manhole in less than 30 seconds, and supports production rates up to 50 manholes per day. Once positioned over a manhole, a single button press initiates the scan. The system measures manhole depth, lowers the probe accordingly, and then assembles scan data for instant viewing in CleverScan software. From there, data can be transferred to WinCan's CleverScan module for reporting and advanced analysis, and shared via WinCan Web.



Four laser scanners generate a dense point cloud for 3D analysis.

Accelerometers allow software to compensate for torsional and pendular motion.

Strobing LEDs ensure bright, evenly lit image scans.

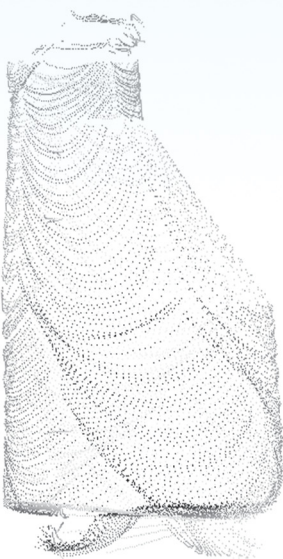
Five HD cameras capture high-res image data that's stitched together into a single scan.

Fully automated system scans manholes with the press of a button.

Reel lowers camera as far as 9.5m (31 feet) into manholes.

Range-finder senses depth of manhole to control probe descent.

Adjustable tripod sits securely in manhole ring and adjusts to uneven pavement.



Scan Geometry

CleverScan's four lasers capture manhole geometry to a high-resolution point cloud. This data is ideal for performing capacity studies, taking measurements for rehab projects and populating CAD models. Point cloud data is exportable in a variety of common formats and can be viewed directly in CleverScan software and WinCan's CleverScan module.

Control Costs

CleverScan helps keep your per-manhole inspection costs at an industry low:

- Productivity.** When you inspect more manholes per day, your cost per manhole drops.
- Operating Costs.** CleverScan is the industry's most affordable automated manhole scanner.
- Portability.** CleverScan's compact, lightweight design means it can be deployed by a single operator from any small utility vehicle, keeping overhead costs low.

Specifications

weight	38 lb (18kg)
height	3'7" (1.1m)
camera protection	IP67
controls protection	IP54
computer req.	Intel i5 or i7 CPU minimum 8GB RAM Gbit Ethernet interface SSD (min. 256 Gb)
	HD monitor (min. 1024x768)
	Windows 7 or 10 Business

specifications subject to change without notice



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How TV Vans Are Maximizing City Assets

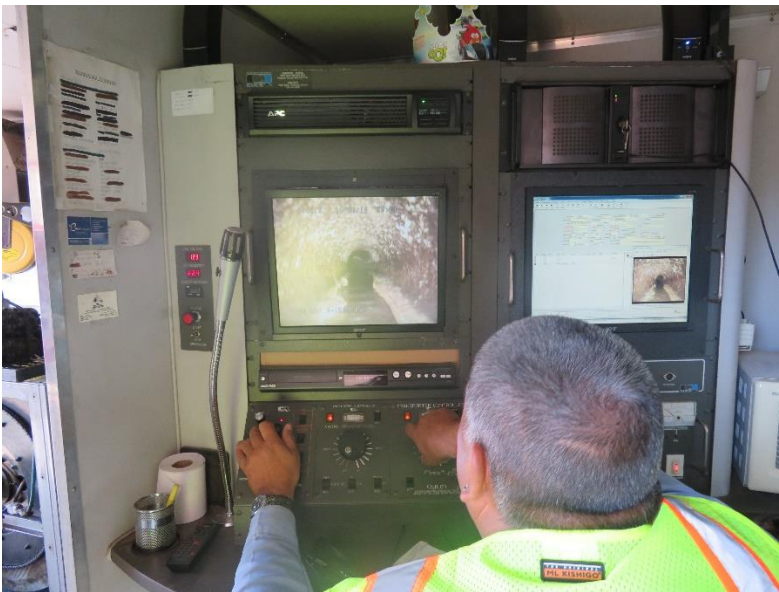
Post Date: 04/24/2018



Proactive Video Inspections Allow For Efficient Maintenance of Wastewater Systems

Every day, the TV Van Crew hits the streets of Flagstaff to conduct in depth inspections of the city's sewer systems. These crews are truly the unsung heroes of the city's wastewater collection system. A new van proposed this year will be equipped with cutting-edge technology to monitor the system. Scheduled inspections survey pipe conditions, identify blockages before issues arise, and support a prioritized maintenance plan. A single mile of wastewater piping can cost upwards of two million dollars to replace, making planning crucial. Common blockages the crews encounter are, roots breaking through the pipes, grease build up from restaurants, foreign objects, and collapsed pipes. The TV Van uses a cabled camera, which can navigate the piping system with ease. The new van will have a small but agile crawler-camera system, which can navigate a variety of pipe diameters and turn corners without manual intervention. It will also have a reach of up to 1500 feet, twice the current van's capacity. The crew does more than just preventative maintenance. They are also part of your emergency response team and can be found fixing any sewer blockage, usually within two hours of it being reported, regardless of weather or time of day.

Photo: Leonard Garcia, a member of Flagstaff's TV Van Crew, is shown below inspecting a circa 1919 vitrified clay pipe on the South San Francisco Street.



Questions or comments?

Contact Lisa Deem, Management Analyst
City of Flagstaff / Water Services Division
(928) 213-2471 or lideem@flagstaffaz.gov



Envirosight



ROVER X

The Power of One

Safe, Easy and Advanced Inspection Crawler



ROVER X

The Power of One

ROVER X is the one system that lets you do everything—control inspections, view and record digital video, log observations, generate reports, and link directly to asset-management software. All this capability is packed into a simple three-piece layout, with no CCU or other components to clutter your truck.

ROVER X is built on a powerful digital backbone. Not only can you add side-scanning, laser profiling and lateral launch, you can view status from onboard sensors, automate tasks with macros, and measure defects on-screen. And future capabilities are limitless—ROVER X's firmware updates automatically to the latest features and accessory support.

Technology aside, ROVER X is built for the rigors of sewer work. Twelve wheel options—plus camera lift, carriage and lamp accessories—mean ROVER X transforms in seconds to inspect any line. Its steerable six-wheel drive navigates past obstacles, and overlapping wheels climb offsets better than tracks.

ROVVER X

Responsive Controls

Control multiple camera and crawler functions at once. • View live and recorded video directly on controller. • Enhance productivity with custom controls. • Use macros to automate inspection tasks like joint scanning. • Access specialized functions using intuitive touchscreen interface.



camera controls

crawler/reel controls

Recording

Store digital video and images, and export them via USB media or network port. • Review footage directly onscreen.

Reporting

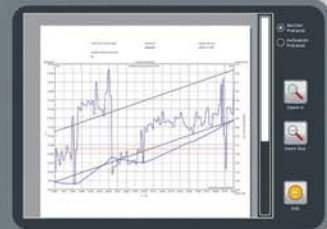
Log observations on touchscreen. • Use standard or custom defect catalogs. • Generate simple reports, or use WinCan for full reporting. • Overlay text on video without external hardware. • View system status and operating history.



observation entry



manhole-to-manhole report



incline report



WinCan export



system status

Envirosight

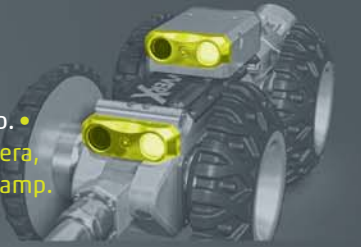


Remote Control

Supplied standard, this single-channel wireless remote lets you control camera, crawler, lift and reel.

Visibility

Capture superior video resolution. • Illuminate distant targets with 50% brighter LED light. • Boost illumination in large pipelines with auxiliary lamp. • See above flow with high-mount rear-view camera, plus additional rear-view camera on auxiliary lamp.



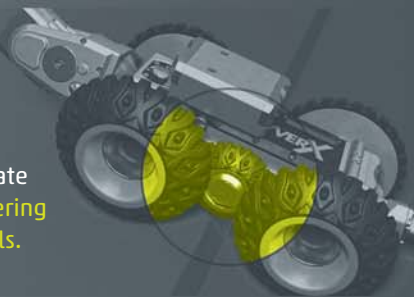
Adaptability

Remotely adjust camera height over 7" range with lift accessory. • Handle pipe of any size, material and condition with 12 wheel options. • Extend height and wheelbase with carriage accessory for pipelines up to 72" diameter.



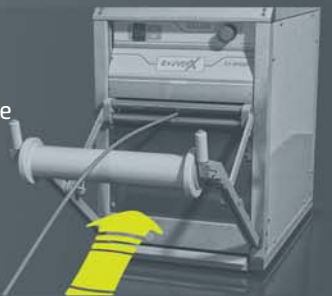
Maneuverability

Control any number of camera and crawler functions at once. • Pivot in place with zero-degree turning. • Use macros to automate tasks (like joint scanning). • Avoid high-centering on offsets and debris with overlapping wheels.



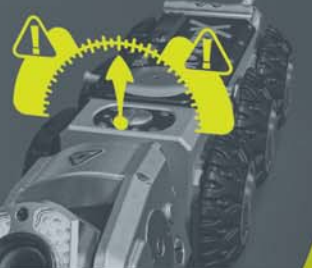
Range

Crawl up to 1000' with standard reel. • Overcome obstacles with unmatched maneuverability and power. • Prevent tangles and maximize range with cable tension control. • Control reel direction, force, speed and mode directly from pendant.



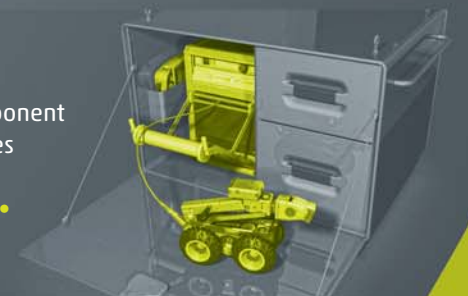
Measurement

Track pipe grade with inclinometer. • Monitor temperature/pressure with onboard sensors. • Locate crawler using built-in sonde. • Easily add laser profiling and side-scanning. • Size defects with twin lasers. • Avoid flips with warnings from roll sensor.



Field-Readiness

Inspect from truck, pickup or ATV using simple 3-component system. • Run off generator or inverter. • Inspect pipelines 6-72" diameter with single, reconfigurable crawler. • Store 1000' of strong, lightweight cable on compact, automated reel. • Transport system in compact, weatherproof enclosure.



Complete Capability

With many wheel options—plus a detachable lift, carriage and auxiliary lamp—ROVER X is the only single system that lets you inspect lines 4–96" diameter. With quick-change wheels, you'll be ready in seconds to handle any combination of pipe size, material and condition. (See wheel chart on reverse panel.)

24" and up

24" and up

15"

12"

8"

6"

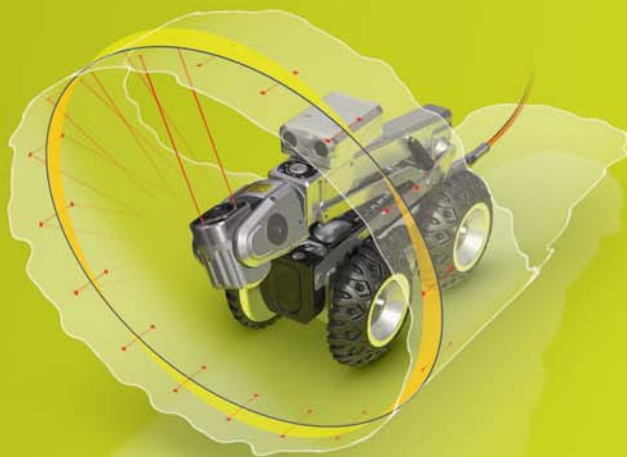
(down to 4" with available RX 95 crawler body)



Power to Maneuver

ROVER was the first crawler with steerable 6-wheel drive, giving operators the agility to navigate past obstacles that stop other crawlers.

ROVER X adds to that legacy with CAN-bus controls, which allow you to perform multiple functions at once. Now you can steer while panning the camera and adjusting camera lift height. Proportional joysticks give you fine control over speed and direction, and also let you pivot in place.



Many Ways to Inspect

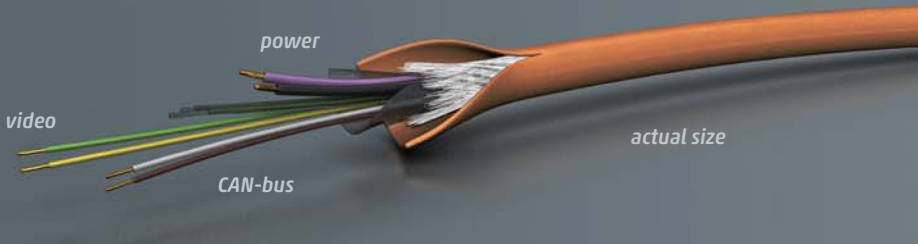
- ▶ **Digisewer.** Generate side-scans that capture every detail from pipe wall. With Digisewer, you can inspect three times faster than with CCTV—at a cost and learning curve anyone can manage. With the Digisewer laser ring, you can also measure pipe ovality.
- ▶ **Laser.** Onboard lasers can be used to measure defects and ovality. With an optional laser profiling accessory attached, WinCan's laser module can track cross-section along the pipe to determine ovality and create a geometric model.
- ▶ **Lateral Launch.** The ROVER X SAT lateral launch add-on lets you inspect laterals from a mainline, ideal for finding gas line cross-bores and illicit flows. It integrates with any existing ROVER X system, reducing cost and equipment clutter.

Onboard Intelligence

ROVER X uses CAN-bus, the same technology found in modern automobiles. This gives it capabilities not available anywhere else:

Automatic Updates: When connected to the Internet, the pendant updates its firmware automatically, ensuring the latest features.

Concurrent Control: Digital communications let you control any number of camera, crawler and accessory functions at once.



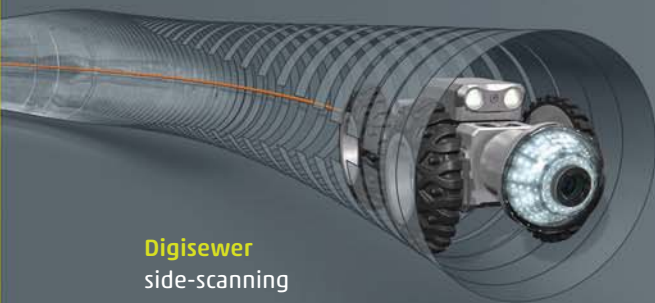
Agility & Uptime: With only six conductors, lightweight ROVER X cable is easy to pull long distances, and also easy to reterminate. Kevlar gives it a 1000-lb. break strength, and a tough jacket maximizes abrasion resistance.

Future-Readiness: ROVER X evolves with technology, which means its capabilities can grow with your needs.

Information: Access system status, from real-time sensor data to lifetime service and operating history.

Self-Diagnostics: Connect to a PC with ROVER X Studio, and our technicians can log in to read error codes and run diagnostics.

.....



Digisewer
side-scanning



SAT
lateral launch

Quick-Change Wheels

Swapping in seconds with no tools, ROVER X quick-change wheels address any combination of pipeline diameter, material and condition.



system

ratings CE, NRTL
power 120-240 Vac, 60 Hz
viewing capability pipelines 4-96" dia.

camera (RCX90)

imager color 1/4" CCD
resolution 720 × 576 pixels
zoom lens 120× (10× optical, 12× digital)
pressure rating 1 bar
features auto shutter; auto/manual focus
illumination dimmable 40-LED array
articulation ±145 deg tilt; infinite pan
measurement twin laser diodes
sensing temperature, pressure, pan/tilt
size 6.6" × 3.1" × 2.8" (168 × 81 × 72 mm)
weight 3.3 lb (1.5 kg)
materials aluminum, stainless steel

crawler (RX130)

wheels 6
turn radius down to 0.0"
camera color rear-view with tri-LED lamp
sensors pitch, roll, temperature, pressure
pressure rating 1 bar
size 12.2" × 4.4" × 3.2" (310 × 111 × 90 mm)
weight 13.2 lb (6 kg)
materials aluminum, stainless steel
sonde transmitter 33 kHz / 512 Hz

control pendant (VC200)

controls twin joysticks; push-button
controls (power, lamp intensity, camera lift,
zoom, focus, reel mode, pull force, crawl
speed/direction); 10 soft keys; touchscreen
touchscreen 8.4" color (800×600 pixels)
video capture MPEG-4 (H.256)
image capture JPEG
storage external USB; internal flash (64 GB)
connectivity Ethernet
size 13.5" × 9.3" × 3" (342 × 236 × 75 mm)
weight 4.4 lb (2 kg)
firmware VisionControl (auto-updating)
bundled software VisionReport

aux. lamp (optional)

lamps four (4) tri-LED lamps
dimensions 4.6"×5.2"×5.2" (117×132×132 mm)
materials aluminum, stainless steel



cable reel (RAX300)

cable length 1000' (300 m)
cable diameter 1/4" (6.5 mm)
cable weight 0.03 lb/ft
cable strength 1000 lb
cable conductors 6
controls (local) power, emergency stop
controls (via pendant) auto/manual, speed,
forward/reverse, pull strength
sensors tension, tilt
size 24.2"×12.4"×19.3" (620×315×490 mm)
weight 68.3 lb (31 kg)
connections pendant, service, video in/out

camera lift (optional)

lift range 3.1-10.2" (132-312 mm)
materials aluminum, stainless steel

carriage (optional)

wheelbase (w/l) 14.5"/12.2" (368/310 mm)
weight 34.2 lb (15.5 kg)
materials aluminum, stainless steel

aux. lamp/rear camera (optional)

forward illumination twin tri-LED lamps
camera color rear-view with tri-LED lamp
sonde transmitter 33 kHz / 512 Hz
materials aluminum, stainless steel

basic system

- RX130 crawler body
- RCX90 camera head
- RAX300 reel with 1000' cable
- VC200 control pendant
- VisionReport software
- WinCan VX software (basic)
- single-channel digital wireless remote control
- small rubber wheels (6)
- medium rubber wheels (4)
- medium grease wheels (4)
- climber wheels (2)
- large rubber wheels (4)
- crawler body transport case
- camera head transport case
- tools (wrenches, pressure kit)

options/accessories

- laser profiler
- DigiSewer side-scan camera
- lateral launch crawler/reel
- remote camera lift
- large-pipe carriage
- large- and small-dia. crawlers
- aux. lamp/rear-view camera
- desktop mount for pendant
- USB media for pendant
- wheel sets (see chart on flap)
- cable management accessories
- lowering devices
- WinCan VX software (advanced)
- other accessories



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We've analyzed the preferences of our inspection vehicle customers to identify the most popular configurations. We offer these as our Preferred Build-Outs.

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MEPS RoadPower 14' cutaway

underground
understood

key features

operator studio

solid bulkhead wall with fixed smoked-glass window and pass-through door with aluminum kick plate • Formica desk with outlets above and below • cork board wall above desk surface • storage cabinet • hinged bench seat with cushion and storage beneath • overhead LED lighting • 19" Tru-Vu desk-mounted monitor • high-back operator chair • carpeted walls and ceiling • safety light switches in truck cab • rack cabinet (for computer/DVD-RW) • black-treaded rubber floor • wall file • video distribution booster



13,500-BTU roof air conditioner with 5600-BTU heat strip controlled via digital thermostat



2-drawer file cabinet with butcher-block top

equipment bay

butcher block work surfaces • built-in heavy-duty storage/tool box • slide-out crawler drawer under reel • rear-facing 19" Tru-Vu monitor • full-height storage cabinet behind crawler drawer • wash-down system (on-demand pump, lighted switch, 18-gallon tank with exterior fill, 25' retractable hose reel) • ceiling-mounted LED lights • plywood ceiling/walls covered with gray FRP • aluminum storage shelf and caddy with trash can • wheel drawer • rubber glove dispenser



tool package (manhole hook, pick, sledge hammer and shovel, all mounted on aluminum brackets)

power

shore power cord with 120V power adapter • breaker box • auto-transfer switch • 12V fuse block • hour meter



6.3 kW MEPS RoadPower source (check availability for customer-supplied chassis)

miscellaneous

hand sanitizer • waterless hand cleaner • paper towels • rubber gloves • first-aid kit • fire extinguisher • Rain-X • Simple Green • dry-erase board • traffic cones • rubber counter mat • remote mount • lanyard



backup alarm

exterior

rear barn doors with latches/locks • side door with step well with flip-up latchable cover • Chicago-style bumper • custom EnviroSight mud flaps • tie-off clamp on rear bumper



corner-mounted LED spotlights



front roof-mounted LED strobe



rear LED arrow board

EnviroSight is dedicated to offering the highest quality components and craftsmanship. We continually source new products and materials in our effort to refine the quality and utility of our transport products. Therefore, we reserve the right to change the layouts and substitute components without notice. Photos shown on our website and in printed materials are representative examples only, and the final product may differ from representations you have seen. If you are committed to a certain component or style, please be sure to contact us so we may make every reasonable effort to assure your needs are met.

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Envirosight: Typical Video Inspection Truck / Van



Typical Control Room for Envirosight Video Inspection Truck



Typical equipment / work area for EnviroSight Video Inspection Truck

Video Inspection Van S4030:



Control Room of existing Video Inspection Van S4030



Equipment Area of existing Video Inspection Van S4030



Camera deployment Beulah Blvd. Under I-40

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Brandi Suda, Finance Director
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Public Hearing: "Truth in Taxation", FY 2018-2019 Budget and Property Tax Levy (combined).

STAFF RECOMMENDED ACTION:

- 1) Open the public hearing
- 2) Receive citizen input
- 3) Close the public hearing
- 4) Convene Special Meeting

Executive Summary:

This combined public hearing is being held to comply with law. Arizona "Truth in Taxation" laws require a public hearing on a proposed primary property tax increase, A.R.S. Section 42-17107. Arizona budget laws require a public hearing on the proposed final budget and property tax levy, A.R.S. Section 42-17104.

Financial Impact:

Upon adopting the final FY 2018-2019 Budget, the City may commit and spend funds for community needs as described in the budget. The budget is funded through numerous revenue sources, including property tax.

The FY 2017-2018 primary property tax levy was \$6,171,607. The City is proposing a 7.4% increase or \$453,930 on existing property. The total levy related to new construction is \$81,973 for a total levy of \$6,707,510 in FY 2018-2019. The primary property tax rate to support this levy is \$0.8334 per \$100 of assessed valuation.

The FY 2017-2018 secondary property tax rate was to generate revenues of \$6,271,311. The City is proposing to keep the same tax rate (also referred to as a "flat tax rate") for secondary property taxes for FY 2018-2019 for a total levy of \$6,733,265 on existing properties and new construction. The proposed secondary property tax rate is \$0.8366 per \$100 of assessed valuation (same as last FY).

Policy Impact:

The FY 2018-2019 Budget is the financial plan of the City for the upcoming fiscal year.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Economic Development
Affordable Housing
Social Justice
Transportation and Other Public Infrastructure
Building and Zoning/Regional Plan
Climate Change
Water Conservation
Environmental and Natural Resources
Personnel
Community Outreach
Town & Gown
Code Compliance

Has There Been Previous Council Decision on This:

- December Budget Retreat on December 12, 2017
- February Budget Retreat on February 12 & 13, 2018
- Council Budget Work Session on April 24 & 25, 2018
- Tentative Budget Adoption on June 5, 2018

Options and Alternatives:

1. Conduct the public hearing
2. Delay the public hearing

Background/History:

"Truth in Taxation" procedures:

The Arizona "Truth in Taxation" laws require that the county assessor, on or before February 10, transmit to each city and town an estimate of the total net assessed valuation of the city, including new property added to the tax roll. If the proposed primary tax levy amount, excluding amounts attributable to new construction, is greater than the levy amount in the previous year, the City must provide notice and a public hearing of the proposed increase, along with other taxation requirements. It is important to note that it is the levy amount and not the rate which triggers the Truth in Taxation procedures.

The City is following the "Truth in Taxation" procedures. The City has published a notice in the Arizona Daily Sun on June 1, 2018 and June 10, 2018. We have also issued a press release concerning the increase.

Budget adoption:

The budget was presented for tentative adoption on June 5, 2018. The tentative adoption established the maximum appropriation for the City for the FY 2018-2019 budget year. The budget legal schedules were published in the Arizona Daily Sun on June 7, 2018 and June 14, 2018.

Property tax levy:

Primary property taxes are accumulated in the General Fund and pay for general services which include but are not limited to public safety, parks and recreation, other public work services, and general administrative and management functions within the City.

Secondary property taxes support debt service payments on numerous city capital projects including the Aquaplex, fire stations, open space, street/utility projects, forest restoration, the core services facility and courthouse.

The current and proposed property tax rates are shown in the "Expanded Financial Consideration"

section below.

Key Considerations:

The adoption of the tentative budget set forth into motion a legally mandated time sequence of actions of which the Council must adhere to adopt a final budget and to levy property taxes. If this time sequence is not met as required by statute, the tentative budget adoption, the final budget adoption, the property tax levy actions, and related publications must be started over. The final budget adoption must occur after a public hearing and Council must convene into a Special Meeting to adopt the final budget. The budget must be adopted by the third week of July. The County will adopt the property tax levy the first week of August. The key dates in the process have been presented as part of the action summary.

June 5, 2018 Tentative adoption of budget by Council
June 19, 2018 Truth in Taxation, proposed budget and property tax levy public hearing
June 19, 2018 Final budget adoption (done in a Special meeting)
June 19, 2018 Primary property tax level approved by roll call vote
June 19, 2018 First reading property tax ordinance
July 3, 2018 Final reading and adoption of property tax ordinance

Expanded Financial Considerations:

The City's proposed primary property tax levy in FY 2018-2019 equals the maximum allowable levy under state law. The maximum allowable primary property revenue under state law for FY 2018-2019 is \$6,707,510. Primary property tax rate will increase from \$0.8233 in FY 2017-2018 to \$0.8334 in FY 2018-2019 due to the 7.4% increase in the levy amount off set by total valuation of all existing properties which are increasing 6.1% Five years historical data is shown below:

Property Tax Rates	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019 Proposed
Primary	\$ 0.8418	0.8234	0.8121	0.8233	0.8334
Secondary	0.8366	0.8366	0.8366	0.8366	0.8366
Total	\$ 1.6784	1.6600	1.6487	1.6599	1.6700

The final budget adoption allows the City to commit and expend resources as determined to be needed through the FY2018-2019 budget process. There have been no changes in the final budget recommended for adoption from that presented as the tentative budget. The recommended City of Flagstaff appropriation for FY2018-2019 is \$279,965,072.

Community Benefits and Considerations:

The budget process has allowed for public participation which is vital for the City Council in determining the current year goals and objectives. The budget translates the community's goals and objectives as determined by City Council into fiscal reality. Timely budget adoption allows the City to commit expenditures as related to the FY 2018-2019 Budget as needed for ongoing operational consistency to the citizenry. The FY 2018-2019 Budget is balanced.

Community Involvement:

Inform/Involve: This is the public hearing in the budget adoption process and it is open to public comment on the property tax levy and the final budget adoption. Budget legal schedules were published in the June 7, 2018 and June 14, 2018 Arizona Daily Sun to allow for additional community review. In addition, the legal and other budget schedules were made available at City Hall, at both Flagstaff Public Libraries, and on the official city website. The final opportunity for community involvement for the budget adoption is at this public meeting. The notice for a proposed changes to primary property tax was posted on the City website on April 2, 2018. The Truth in Taxation notice was published in the Arizona Daily Sun on June 1, 2018 and June 10, 2018. The final opportunity for public input to the tax levy will be at the July 3, 2018 Council Meeting.

Attachments: PowerPoint

City of Flagstaff FY 2019 Budget

June 19, 2018





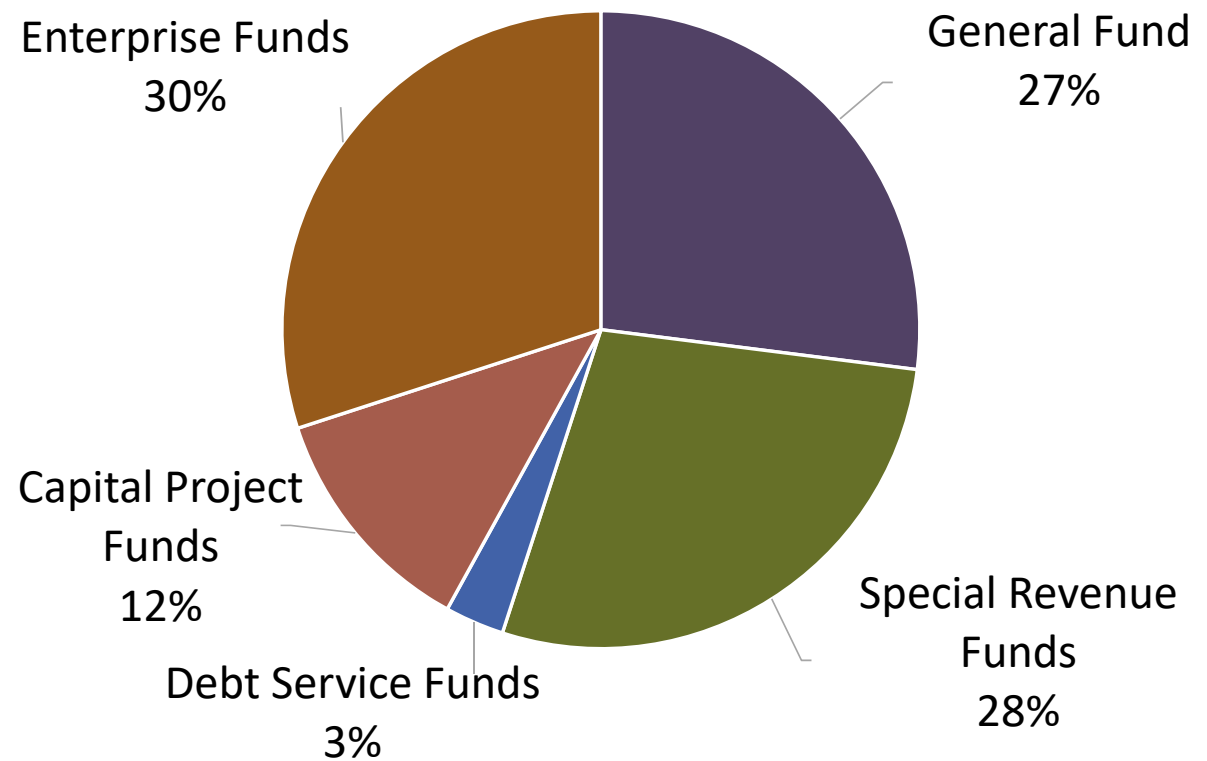
FY 2019 Budget Timeline

- **June 5th – Tentative Budget Adoption**
- **June 19th**
 - Public Hearing for Truth in Taxation, Budget and Tax Levy
 - Final Budget Adoption
 - Truth in Taxation Roll Call Vote
 - 1st Reading of Property Tax Ordinance
- **July 3rd**
 - 2nd Reading and Adoption of Property Tax Ordinance

FY 2019 Budget



Total FY 2019 Budget: \$279,965,072
\$22.1M (7.3%) decrease over FY 2018

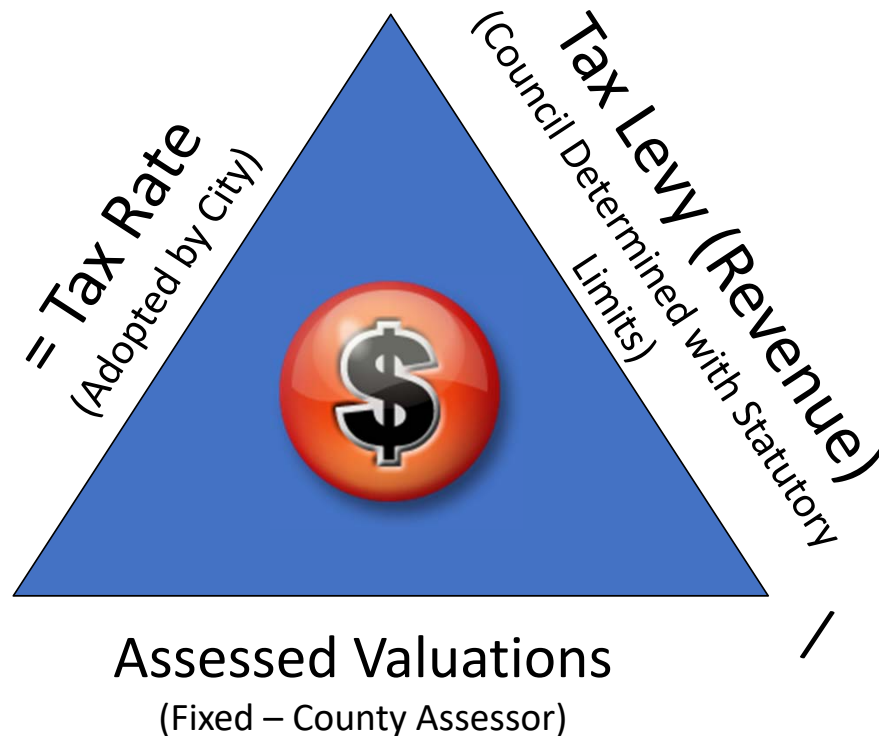




Property Taxes

Anatomy of Property Taxes

$$\text{Tax Levy (Revenue)} / \text{Assessed Valuation (AV)} = \text{Tax Rate}$$





City of Flagstaff Property Tax

Total Proposed Primary Tax Levy: \$6,707,510

- **Maximum Allowable**
- 7.4% increase plus new construction
- New construction revenue totals \$81,973
- Assessed values increased 6.1% on average
- Unrestricted per state statutes

Total Proposed Secondary Tax Levy: \$6,733,265

- Based on a **flat rate** of \$0.8366 per \$100/AV
- 7.4% levy increase
- Cannot exceed the estimated general obligation debt service payments for FY 2019



Property Tax Rates

Property Tax Rates	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019 Proposed
Primary	\$ 0.8418	0.8234	0.8121	0.8233	0.8334
Secondary	0.8366	0.8366	0.8366	0.8366	0.8366
Total	\$ 1.6784	1.6600	1.6487	1.6599	1.6700

- Primary Property Tax Rate (FY 2019)
 - Proposed: .8334 per \$100/AV
 - Flat Levy: .7763 per \$100/AV
 - Maximum: .8334 per \$100/AV



Property Assessed Values

	Budget 2018 <u>Tax Year 2017</u>	Budget 2019 <u>Tax Year 2018</u>	<u>% Increase</u>
Limited Net AV	\$749,618,241	\$804,836,851	7.36%
Full Cash Net AV	\$839,674,800	\$927,150,868	10.42%

- Determined by the County Assessor's Office
- New Construction 1.3%
- Values based valuation done in late 2016 for Tax Year 2018 (Budget FY 2019)
- Limited AV is used to calculate both the primary and secondary property tax per State Statutes
- Limited AV is limited to maximum 5% increase per year for most real property



City Property Tax Impact

On Homeowners:

Impact on Home Owner-Primary:

	FY 2018 Value	Inc/Decr AV	FY 2019 Value	Incr/(Decr)	
	300,000	5.000%	315,000		
Primary Tax Estimate	246.99		262.52	15.53	6.3%

Impact on Home Owner-Secondary:

	FY 2018 Value	Inc/Decr AV	FY 2019 Value	Incr/(Decr)	
	300,000	5.00%	315,000		
Secondary Tax Estimate	250.98		263.53	12.55	5.0%

- In FY 2018, City property taxes were 22.6% of the total homeowner property tax bill



City Property Tax Impact

Commercial Property:

Impact on Commercial-Primary:

	FY 2018 Value	Inc/Decr AV	FY 2019 Value	Incr/(Decr)	
	1,000,000	5.000%	1,050,000		
Primary Tax Estimate	1,481.94		1,575.13	93.19	6.3%

Impact on Commercial-Secondary:

	FY 2018 Value	Inc/Decr AV	FY 2019 Value	Incr/(Decr)	
	1,000,000	5.00%	1,050,000		
Secondary Tax Estimate	1,505.88		1,581.17	75.29	5.0%

Questions

Brandi Suda, Finance Director

bsuda@flagstaffaz.gov

928-213-2217



CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Brandi Suda, Finance Director
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Adoption of Resolution No. 2018-31: A resolution of the Council of the City of Flagstaff, Arizona, adopting the Budget for Fiscal Year 2018-19.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-31 by title only
- 2) City Clerk reads Resolution No. 2018-31 by title only (if approved above)
- 3) Adopt Resolution No. 2018-31
- 4) Adjourn Special Meeting and reconvene Regular Meeting

Executive Summary:

Each municipality is required to adopt a budget as prescribed by A.R.S. Title 42, Chapter 17, Articles 1 through 5. As published in the tentative adoption of the budget, the final budget is to be adopted on June 19, 2018 (during a Special Meeting), and following a public hearing to receive citizen comments.

Financial Impact:

The final budget adoption allows the City to commit and spend funds for community needs as described in the FY 2018- 2019 Budget.

Policy Impact:

The FY 2018- 2019 budget is the financial plan of the City for the upcoming fiscal year.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Economic Development
Affordable Housing
Social Justice
Transportation and Other Public Infrastructure
Building and Zoning/Regional Plan
Climate Change
Water Conservation
Environmental and Natural Resources
Personnel
Community Outreach
Town & Gown

Has There Been Previous Council Decision on This:

- December Budget Retreat on December 12, 2017
- February Budget Retreat on February 12 & 13, 2018
- Council Budget Work Session on April 24 & 25, 2018
- Tentative Budget Adoption on June 5, 2018

Options and Alternatives:

As the City adopted the tentative budget on June 5, 2018, the maximum appropriation for FY 2018-2019 has been set. The Council could choose to make adjustments within that maximum appropriation or make reductions in the maximum appropriation.

Background/History:

The budget was presented for tentative adoption on June 5, 2018. The tentative adoption established the maximum appropriation for the City for FY 2018-2019. The budget legal schedules were published in the Arizona Daily Sun on June 7, 2018 and June 14, 2018.

Key Considerations:

The adoption of the tentative budget set forth into motion a legally mandated time sequence of actions of which the Council must adhere to adopt a final budget. If this time sequence is not met as required by statute, the tentative budget adoption, final budget adoption and related publications must be started over. The final budget adoption must occur after a public hearing and Council must convene into a Special Meeting to adopt the final budget. The budget must be adopted by the third week of July.

June 5, 2018 Tentative adoption of budget by Council

June 19, 2018 Public hearing on "Truth in Taxation", FY 2018-2019 Budget and Property Tax Levy

June 19, 2018 Final budget adoption (done in a Special meeting)

Community Benefits and Considerations:

The budget process has allowed for public participation which is vital for the City Council in determining the current year goals and objectives. The budget assists in translating the community's goals and objectives as determined by City Council into fiscal reality. Timely budget adoption allows the City to commit expenditures as related to the FY 2018 - 2019 Budget as needed for ongoing operational consistency to the citizenry. The FY 2018 - 2019 Budget is balanced.

Community Involvement:

Inform/Involve: Earlier this evening there was a public hearing to receive any last public comments prior to final budget adoption. Budget legal schedules were published in the June 7, 2018 and June 14, 2018 Arizona Daily Sun to allow for community review. In addition, the legal and other budget schedules were made available at City Hall, at both Flagstaff Public Libraries, and on the official city website.

Attachments: FY2019 Legal Budget Schedules
 Res. 2018-31

Official Budget Forms

City of Flagstaff

Fiscal Year 2019

City of Flagstaff

Table of Contents

Fiscal Year 2019

Resolution for the Adoption of the Budget

Schedule A - Summary Schedule of Estimated Revenues and Expenditures/Expenses

Schedule B - Tax Levy and Tax Rate Information

Schedule C - Revenues Other Than Property Taxes

Schedule D - Other Financing Sources/⟨Uses⟩ and Interfund Transfers

Schedule E - Expenditures/Expenses by Fund

Schedule F - Expenditures/Expenses by Department (as applicable)

Schedule G - Full-Time Employees and Personnel Compensation

City of Flagstaff
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2019

The final opportunity for public input on the City of Flagstaff Fiscal Year 2018-2019 budget will occur on June 19, 2018 at 6:00 PM in the City Council Chambers, 211 West Aspen Avenue, Flagstaff, AZ 86001
The budget may be reviewed at the City of Flagstaff in the City Clerks Office, 211 West Aspen Avenue, Flagstaff, AZ 86001
or the Flagstaff City-County Public Library, 300 West Aspen Avenue, Flagstaff, AZ 86001
or the East Flagstaff Community Library, 3000 North 4th Street, Flagstaff, AZ 86004 or the official website "flagstaff.az.gov"

Fiscal Year	S c h	Funds							Total All Funds
		General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Fund	Enterprise Funds	Internal Service Funds	
2018 Adopted/Adjusted Budgeted Expenditures/Expenses*	E	70,384,292	91,402,646	7,389,453	52,130,108	0	80,713,129	0	302,019,628
2018 Actual Expenditures/Expenses**	E	62,008,612	48,046,987	5,565,709	23,769,482	0	57,062,051	0	196,452,841
2019 Fund Balance/Net Position at July 1***		31,617,283	58,776,987	7,452,538	5,017,138	298,419	49,373,009	0	152,535,374
2019 Primary Property Tax Levy	B	6,707,510	0	0	0		0	0	6,707,510
2019 Secondary Property Tax Levy	B	0	0	6,733,265	0		0	0	6,733,265
2019 Estimated Revenues Other than Property Taxes	C	55,956,096	48,444,813	243,456	2,122,570	12,024	63,548,910	0	170,327,869
2019 Other Financing Sources	D	0	0	0	26,000,000	0	6,500,000	0	32,500,000
2019 Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2019 Interfund Transfers In	D	4,223,433	10,400,290	7,179,678	907,000	0	4,006,634	0	26,717,035
2019 Interfund Transfers (Out)	D	5,285,973	12,418,811	7,179,678	0	0	1,832,573	0	26,717,035
2019 Reduction for Amounts Not Available									
Less: Amounts for Future Debt Retirement									0
									0
									0
									0
2019 Total Financial Resources Available		93,218,349	105,203,279	14,429,259	34,046,708	310,443	121,595,980	0	368,804,018
2019 Budgeted Expenditures/Expenses	E	74,623,301	79,210,888	7,390,028	33,885,094	0	84,855,761	0	279,965,072

Expenditure Limitation Comparison

1. Budgeted Expenditures/Expenses
2. Add/Subtract: Estimated Net Reconciling Items
3. Budgeted Expenditures/Expenses Adjusted for Reconciling Items
4. Less: Estimated Exclusions
5. Amount Subject to the Expenditure Limitation
6. EEC Expenditure Limitation

	2018	2019
\$	302,019,628	\$ 279,965,072
	0	0
	302,019,628	279,965,072
	153,591,941	126,033,943
\$	148,427,687	\$ 153,931,129
\$	149,172,916	\$ 154,582,542

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent fund balance/net position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

City of Flagstaff
Expenditure Limitation and
Tax Levy Information
Fiscal Year 2018-2019

	Estimate FY 2017-2018	Budget FY 2018-2019
Expenditure Limitation [Economic Estimates Commission]		<u>\$ 154,582,542</u>
Total Estimated Expenditures Subject to Expenditure Limitation		
1. Maximum Allowable Primary Property Tax Levy [ARS 42-17051.A] rev 6/06 HB 2876	<u>\$ 6,495,442</u>	<u>\$ 6,707,510</u>
2. Amount Received from Primary Property Taxation in FY 2017-2018 in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy [ARS 42-17102.A.18]	<u>\$ -</u>	
3. Property Tax Levy Amounts		
A. Primary Property Taxes	\$ 6,171,607	\$ 6,707,510
B. Secondary Property Taxes	6,271,311	6,733,265
C. Total Property Tax Levy Amount	<u>\$ 12,442,918</u>	<u>\$ 13,440,775</u>
4. Property Taxes Collected (Estimated)		
A. Primary Property Taxes:		
(1) FY 2017-2018 Levy	\$ 6,071,607	
(2) Prior Years' Levies	100,000	
(3) Total Primary Property Taxes Collected	<u>6,171,607</u>	
B. Secondary Property Taxes:		
(1) FY 2017-2018 Levy	6,271,311	
(2) Total Secondary Property Taxes Collected	<u>6,271,311</u>	
C. Total Property Taxes Collected	<u>\$ 12,442,918</u>	
5. Property Tax Rates		
A. City of Flagstaff Tax Rate:		
(1) Primary Property Tax Rate	0.8233	0.8334
(2) Secondary Property Tax Rate	0.8366	0.8366
(3) Total City Tax Rate	<u>1.6599</u>	<u>1.6700</u>
B. Special Assessment District Tax Rates:		

As of the date of the proposed budget, the city was operating one special assessment district for which secondary property taxes are levied. For information pertaining to this district and its tax rates, please contact the City Finance Department.

* Includes actual property taxes collected as of the date the proposed budget was prepared plus estimated property tax collections for the remainder of the fiscal year.

City of Flagstaff
Summary by Fund of Revenues Other Than Property Taxes
Fiscal Years 2018 and 2019
(With Actuals for Fiscal Year 2017)

Source of Revenues	Actual Revenues 2016-2017	Budgeted Revenues 2017-2018	Estimated Revenues 2017-2018	Budgeted Revenues 2018-2019	Change (Bdgt-Bdgt)	% Change
General Fund						
Local Taxes						
City Sales Tax	\$ 19,226,470	19,958,580	20,532,350	20,999,934	1,041,354	5.22%
Franchise Tax	2,411,756	2,574,691	2,447,800	2,546,234	(28,457)	(1.11%)
Licenses and Permits						
Business Licenses	32,391	30,000	30,000	30,000	-	0.00%
Building Permits	2,156,121	1,577,580	2,400,000	1,725,000	147,420	9.34%
Other Licenses and Permits	650,894	1,022,680	556,880	1,034,688	12,008	1.17%
Intergovernmental						
State Income Tax Sharing	8,603,145	8,848,139	8,850,877	8,719,302	(128,837)	(1.46%)
State Shared Sales Tax	6,445,302	6,456,555	6,800,000	6,905,944	449,389	6.96%
Vehicle License Tax	3,091,134	3,074,550	3,061,000	3,108,690	34,140	1.11%
Federal Grants	674,982	2,576,827	2,155,575	2,221,253	(355,574)	(13.80%)
State Grants	534,986	817,587	794,265	789,067	(28,520)	(3.49%)
Local Intergovernmental Agreements	1,154,953	1,110,994	1,110,994	1,102,152	(8,842)	(0.80%)
Charges for Services						
General Government	916,055	710,800	745,800	770,800	60,000	8.44%
Parks and Recreation	1,620,021	1,525,550	1,568,370	1,600,534	74,984	4.92%
Public Safety	746,425	724,565	783,315	728,671	4,106	0.57%
Cemetery	172,063	148,750	172,300	167,300	18,550	12.47%
Fines and Forfeits	1,430,686	1,544,457	1,144,856	1,326,226	(218,231)	(14.13%)
Investment Earnings	337,509	260,000	273,630	283,173	23,173	8.91%
Miscellaneous	2,860,663	3,506,482	2,729,909	1,897,128	(1,609,354)	(45.90%)
Total General Fund	53,065,556	56,468,787	56,157,921	55,956,096	(512,691)	(0.91%)
Special Revenue Funds						
Housing and Community Services Fund						
Intergovernmental						
Federal Grants	723,891	1,128,169	312,245	1,337,577	209,408	18.56%
State Grants	128,103	1,044,000	4,188	1,376,704	332,704	31.87%
Investment Earnings	10,151	-	8,181	-	-	0.00%
Sale of Real Property	-	-	-	505,004	505,004	100.00%
Miscellaneous	297,446	4	44,869	-	(4)	(100.00%)
Total Housing and Community Svcs Fund	1,159,591	2,172,173	369,483	3,219,285	1,047,112	48.21%
Metro Planning Organization Fund						
Intergovernmental						
Federal Grants	393,478	836,736	519,907	1,011,459	174,723	20.88%
Miscellaneous	-	467,513	333,513	505,000	37,487	8.02%
Total Metro Planning Organization Fund	393,478	1,304,249	853,420	1,516,459	212,210	16.27%
EDA Revolving Loan Fund						
Investment Earnings	2,409	5,328	5,328	-	(5,328)	(100.00%)
Total EDA Revolving Loan Fund	2,409	5,328	5,328	-	(5,328)	(100.00%)
Library Fund						
Intergovernmental						
Federal Grants	60,175	-	30,000	64,100	64,100	100.00%
State/Local Grants	36,949	75,000	45,000	55,000	(20,000)	(26.67%)
Library District Taxes	3,115,199	4,189,419	3,219,164	3,363,823	(825,596)	(19.71%)
Investment Earnings	32,720	38,000	38,000	38,190	190	0.50%
Miscellaneous	90,368	41,000	41,000	41,000	-	0.00%
Total Library Fund	3,335,411	4,343,419	3,373,164	3,562,113	(781,306)	(17.99%)
Highway User Revenue Fund						
Intergovernmental						
Highway User Tax	7,982,504	7,308,360	8,096,280	7,966,756	658,396	9.01%
Investment Earnings	46,269	32,000	32,000	41,000	9,000	28.13%
Miscellaneous	514,564	300,000	652,659	663,232	363,232	121.08%
Total Highway User Revenue Fund	8,543,337	7,640,360	8,780,939	8,670,988	1,030,628	13.49%

City of Flagstaff
Summary by Fund of Revenues Other Than Property Taxes
Fiscal Years 2018 and 2019
(With Actuals for Fiscal Year 2017)

Source of Revenues	Actual Revenues 2016-2017	Budgeted Revenues 2017-2018	Estimated Revenues 2017-2018	Budgeted Revenues 2018-2019	Change (Bdgt-Bdgt)	% Change
Transportation Fund						
Transportation Tax	\$ 19,376,043	20,119,903	20,770,230	20,853,767	733,864	3.65%
Investment Earnings	221,677	135,000	135,000	170,000	35,000	25.93%
Total Transportation Fund	19,597,720	20,254,903	20,905,230	21,023,767	768,864	3.80%
FUTS Fund						
Investment Earnings	27,821	8,160	8,300	8,850	690	8.46%
Total FUTS Fund	27,821	8,160	8,300	8,850	690	8.46%
Beautification Fund						
BBB Tax	1,557,460	1,610,920	1,680,000	1,730,400	119,480	7.42%
Investment Earnings	42,722	15,000	15,000	15,000	-	0.00%
Miscellaneous	448	-	-	-	-	0.00%
Total Beautification Fund	1,600,630	1,625,920	1,695,000	1,745,400	119,480	7.35%
Economic Development Fund						
BBB Tax	739,898	765,187	798,000	821,940	56,753	7.42%
Investment Earnings	6,971	7,200	7,486	7,486	286	3.97%
Miscellaneous	183,738	269,964	328,859	328,859	58,895	21.82%
Total Economic Development Fund	930,607	1,042,351	1,134,345	1,158,285	115,934	11.12%
Tourism Fund						
BBB Tax	2,336,496	2,416,380	2,520,000	2,595,600	179,220	7.42%
Retail Sales	97,181	86,612	86,612	88,344	1,732	2.00%
Investment Earnings	10,193	5,742	12,490	6,296	554	9.65%
Miscellaneous	37,179	26,897	26,897	27,166	269	1.00%
Total Tourism Fund	2,481,049	2,535,631	2,645,999	2,717,406	181,775	7.17%
Arts and Science Fund						
BBB Tax	583,975	604,095	630,000	648,900	44,805	7.42%
Investment Earnings	5,016	4,000	4,000	4,000	-	0.00%
Total Arts and Science Fund	588,991	608,095	634,000	652,900	44,805	7.37%
Recreation - BBB Fund						
BBB Tax	2,570,084	2,658,018	2,772,000	2,855,160	197,142	7.42%
Investment Earnings	17,846	12,200	12,200	4,200	(8,000)	(65.57%)
Total Recreation - BBB Fund	2,587,930	2,670,218	2,784,200	2,859,360	189,142	7.08%
Parking District Fund						
Parking	-	919,454	845,621	1,310,000	390,546	42.48%
Investment Earnings	1,075	-	500	-	-	0.00%
Miscellaneous	1,000,000	-	-	-	-	0.00%
Total Parking District Fund	1,001,075	919,454	846,121	1,310,000	390,546	42.48%
Total Special Revenue Funds	42,250,049	45,130,261	44,035,529	48,444,813	3,314,552	7.34%
Debt Service Funds						
Secondary Property Tax Fund						
Investment Earnings	55,483	75,000	75,000	36,000	(39,000)	(52.00%)
Total Secondary Property Tax Fund	55,483	75,000	75,000	36,000	(39,000)	(52.00%)
Special Assessment Bond Fund						
Special Assessments	202,243	206,000	206,000	206,000	-	0.00%
Investment Earnings	2,273	1,428	1,410	1,456	28	1.96%
Total Special Assessment Bonds Fund	204,516	207,428	207,410	207,456	28	0.01%
Total Debt Service Funds	259,999	282,428	282,410	243,456	(38,972)	(13.80%)

City of Flagstaff
Summary by Fund of Revenues Other Than Property Taxes
Fiscal Years 2018 and 2019
(With Actuals for Fiscal Year 2017)

Source of Revenues	Actual Revenues 2016-2017	Budgeted Revenues 2017-2018	Estimated Revenues 2017-2018	Budgeted Revenues 2018-2019	Change (Bdgt-Bdgt)	% Change
Permanent Funds						
Perpetual Care Fund						
Contributions	\$ 6,950	8,956	9,500	9,135	179	2.00%
Investment Earnings	2,546	2,860	3,193	2,889	29	1.01%
Total Perpetual Care Fund	9,496	11,816	12,693	12,024	208	1.76%
Total Permanent Funds	9,496	11,816	12,693	12,024	208	1.76%
Capital Project Funds						
Non GO Bonds Projects Fund						
Intergovernmental						
Federal Grants	24,039	-	67,399	-	-	0.00%
State Grants	6,611	-	18,535	-	-	0.00%
Real Estate Proceeds	-	2,000,000	-	2,000,000	-	0.00%
Investment Earnings	7,707	-	9,024	-	-	0.00%
Total Non GO Bonds Projects Fund	38,357	2,000,000	94,958	2,000,000	-	0.00%
GO Bonds Projects Fund						
Intergovernmental						
Federal Grants	284,421	603,952	603,952	121,950	(482,002)	(79.81%)
Investment Earnings	112,250	4,830	5,510	620	(4,210)	(87.16%)
Miscellaneous	300	246,841	246,841	-	(246,841)	(100.00%)
Total GO Bonds Projects Fund	396,971	855,623	856,303	122,570	(733,053)	(85.67%)
Total Capital Projects Funds	435,328	2,855,623	951,261	2,122,570	(733,053)	(25.67%)
Enterprise Funds						
Drinking Water Fund						
Intergovernmental						
Federal Grants	-	-	-	65,000	65,000	100.00%
Water Fees	18,571,987	18,711,835	18,516,510	19,218,838	507,003	2.71%
Investment Earnings	119,910	102,799	102,799	225,300	122,501	119.17%
Miscellaneous	125,349	-	-	-	-	0.00%
Total Drinking Water Fund	18,817,246	18,814,634	18,619,309	19,509,138	694,504	3.69%
Wastewater Fund						
Wastewater Fees	11,515,365	10,623,998	10,984,016	11,875,477	1,251,479	11.78%
Investment Earnings	106,785	55,636	55,636	56,193	557	1.00%
Miscellaneous	238,578	200,000	200,000	-	(200,000)	(100.00%)
Total Wastewater Fund	11,860,728	10,879,634	11,239,652	11,931,670	1,052,036	9.67%
Reclaimed Water Fund						
Reclaimed Water Fees	959,417	927,000	787,034	844,156	(82,844)	(8.94%)
Investment Earnings	7,498	5,050	5,050	5,101	51	1.01%
Miscellaneous	(20,135)	-	-	-	-	0.00%
Total Reclaimed Water Fund	946,780	932,050	792,084	849,257	(82,793)	(8.88%)
Stormwater Fund						
Intergovernmental						
Federal Grants	4,277	-	53,041	15,919	15,919	100.00%
Stormwater Fees	1,601,396	1,707,364	2,085,443	2,546,473	839,109	49.15%
Investment Earnings	12,846	920	15,587	920	-	0.00%
Miscellaneous	612	-	-	-	-	0.00%
Total Stormwater Fund	1,619,131	1,708,284	2,154,071	2,563,312	855,028	50.05%
Solid Waste Fund						
Solid Waste	12,077,113	11,792,010	11,271,817	11,146,070	(645,940)	(5.48%)
Investment Earnings	151,834	71,264	81,169	223,666	152,402	213.86%
Miscellaneous	9,134	1,425,000	-	-	(1,425,000)	(100.00%)
Total Solid Waste Fund	12,238,081	13,288,274	11,352,986	11,369,736	(1,918,538)	(14.44%)

City of Flagstaff
Summary by Fund of Revenues Other Than Property Taxes
Fiscal Years 2018 and 2019
(With Actuals for Fiscal Year 2017)

Source of Revenues	Actual Revenues 2016-2017	Budgeted Revenues 2017-2018	Estimated Revenues 2017-2018	Budgeted Revenues 2018-2019	Change (Bdgt-Bdgt)	% Change
Sustainability and Environmental Management Fund						
Intergovernmental						
State Grants	\$ 36,527	198,446	4,000	103,000	(95,446)	(48.10%)
Environmental Services	979,008	999,693	999,693	1,019,687	19,994	2.00%
Investment Earnings	3,543	3,038	3,038	3,084	46	1.51%
Miscellaneous	4,857	510	510	520	10	1.96%
Total Sustainability and Env Mgmt Fund	1,023,935	1,201,687	1,007,241	1,126,291	(75,396)	(6.27%)
Airport Fund						
Intergovernmental						
Federal Grants	6,186,558	5,116,259	2,436,599	3,399,647	(1,716,612)	(33.55%)
State Grants	303,689	28,266	119,609	123,691	95,425	337.60%
Airport	1,766,331	1,744,709	1,789,913	1,789,913	45,204	2.59%
Parking	-	-	-	78,030	78,030	100.00%
Sale of Real Property	-	-	-	2,500,000	2,500,000	100.00%
Investment Earnings	3,685	3,676	3,676	1,930	(1,746)	(47.50%)
Miscellaneous	1,113	31,041	3,080	3,080	(27,961)	(90.08%)
Total Airport Fund	8,261,376	6,923,951	4,352,877	7,896,291	972,340	14.04%
Flagstaff Housing Authority Fund						
Intergovernmental						
Federal Grants	4,840,430	6,137,418	4,734,545	6,630,552	493,134	8.03%
Rents and Other Tenant Income	1,170,575	1,107,000	1,283,110	1,222,000	115,000	10.39%
Miscellaneous	430,110	434,951	495,431	450,663	15,712	3.61%
Total Flagstaff Housing Authority Fund	6,441,115	7,679,369	6,513,086	8,303,215	623,846	8.12%
Total Enterprise Funds	61,208,392	61,427,883	56,031,306	63,548,910	2,121,027	3.45%
Total Revenues	\$ 157,228,820	166,176,798	157,471,120	170,327,869	4,151,071	2.50%

City of Flagstaff
Summary by Funding of Other Financing Sources
and Interfund Transfers
Fiscal Year 2018-2019

Fund	Proceeds from Other Financing Sources	Interfund Transfers	
		In	Out
General Fund	\$ -	4,223,433	5,285,973
Special Revenue Funds			
Housing and Community Services	-	127,000	-
FMPO	-	305,500	-
Library	-	1,662,813	-
Highway User Revenue	-	7,547,477	13,000
Transportation	-	-	8,361,133
FUTS	-	550,000	75,000
Beautification	-	-	472,314
Economic Development	-	207,500	443,757
Tourism	-	-	236,308
Recreation - BBB	-	-	2,624,600
Total Special Revenue Funds	-	10,400,290	12,418,811
Debt Service Funds			
GO Bonds	-	7,179,678	-
Secondary Property Tax	-	-	7,179,678
Total Debt Service Funds	-	7,179,678	7,179,678
Capital Project Funds			
Non GO Bond Funded Projects	22,000,000	520,000	-
GO Bond Funded Projects	4,000,000	387,000	-
Total Capital Projects Funds	26,000,000	907,000	-
Enterprise Funds			
Drinking Water	2,000,000	1,389,904	-
Wastewater	4,500,000	-	1,333,145
Reclaimed Water	-	-	49,986
Stormwater	-	2,070,420	348,617
Solid Waste	-	63,570	4,678
Sustainability and Environmental Management	-	105,000	96,147
Airport	-	324,540	-
Flagstaff Housing Authority	-	53,200	-
Total Enterprise Funds	6,500,000	4,006,634	1,832,573
Total All Funds	\$ 32,500,000	26,717,035	26,717,035

City of Flagstaff
Summary by Division of Expenditures/Expenses within Each Fund
Comparison of Fiscal Year 2018 and 2019
(With Actual for Fiscal Year 2017)

Fund/Division	Actual Expenditures/ Expenses 2016-2017	Adopted Budgeted Expenditures/ Expenses 2017-2018	Estimated Expenditures/ Expenses 2017-2018	Proposed Budgeted Expenditures/ Expenses 2018-2019	Change (Budget-Budget)	% Change
General Fund						
General Administration	\$ 10,029,414	10,712,958	10,244,892	11,662,856	949,898	8.9%
Community Development	4,170,022	5,095,122	4,878,176	5,822,202	727,080	14.3%
Management Services	3,534,677	3,981,955	3,915,996	4,324,295	342,340	8.6%
Fire	12,528,141	14,081,950	13,945,200	15,272,296	1,190,346	8.5%
Police	19,029,721	22,058,620	20,845,850	23,046,315	987,695	4.5%
Public Works	8,712,542	12,207,736	10,017,990	12,272,351	64,615	0.5%
Economic Vitality	304,568	990,494	990,494	939,309	(51,185)	(5.2%)
Non-Departmental	(3,278,081)	(734,543)	(2,859,986)	(406,323)	328,220	(44.7%)
Contingency	40,436	1,990,000	30,000	1,690,000	(300,000)	(15.1%)
Total General Fund	55,071,440	70,384,292	62,008,612	74,623,301	4,239,009	6.0%
Special Revenue Funds						
Housing and Community Service Fund						
Community Development	911,558	3,449,647	685,834	3,737,405	287,758	8.3%
Non-Departmental	71,887	89,405	89,405	89,405	-	0.0%
Contingency	-	-	-	505,000	505,000	0.0%
	983,445	3,539,052	775,239	4,331,810	792,758	22.4%
Metro Planning Organization Fund						
Community Development	399,474	789,262	472,433	1,283,683	494,421	62.6%
Non-Departmental	34,073	37,487	37,487	38,000	513	1.4%
Contingency	-	500,000	366,000	500,000	-	0.0%
	433,547	1,326,749	875,920	1,821,683	494,934	37.3%
EDA Revolving Loan Fund						
Economic Vitality	-	271,748	271,457	-	(271,748)	(100.0%)
	-	271,748	271,457	-	(271,748)	(100.0%)
Library Fund						
General Administration	181,405	181,956	181,956	216,364	34,408	18.9%
Management Services	93,895	94,917	94,917	101,612	6,695	7.1%
Public Works	65,383	68,688	68,688	57,394	(11,294)	(16.4%)
Economic Vitality	4,575,226	6,349,989	5,861,031	6,411,936	61,947	1.0%
Non-Departmental	84,869	49,357	49,357	54,829	5,472	11.1%
Contingency	-	100,000	-	100,000	-	0.0%
	5,000,778	6,844,907	6,255,949	6,942,135	97,228	1.4%
Highway User Revenue Fund						
General Administration	197,820	199,817	199,817	227,240	27,423	13.7%
Community Development	1,768,478	16,183,302	3,252,340	7,282,568	(8,900,734)	(55.0%)
Management Services	86,123	67,945	67,945	62,612	(5,333)	(7.8%)
Public Works	8,870,104	11,170,516	7,129,786	13,691,371	2,520,855	22.6%
Economic Vitality	17,838	12,658	12,658	4,391	(8,267)	(65.3%)
Non-Departmental	121,777	57,159	57,159	58,781	1,622	2.8%
Contingency	-	100,000	-	100,000	-	0.0%
	11,062,140	27,791,397	10,719,705	21,426,963	(6,364,434)	(22.9%)
Transportation Fund						
General Administration	58,900	56,172	56,172	71,292	15,120	26.9%
Community Development	3,342,731	16,089,334	9,338,990	8,510,068	(7,579,266)	(47.1%)
Management Services	339,102	369,494	369,494	320,742	(48,752)	(13.2%)
Public Works	757,797	5,100,000	2,031,076	5,078,270	(21,730)	(0.4%)
Economic Vitality	3,188	3,337	3,337	1,513	(1,824)	(54.7%)
Non-Departmental	7,273,220	14,444,401	9,596,887	13,213,247	(1,231,154)	(8.5%)
	11,774,938	36,062,738	21,395,956	27,195,132	(8,867,606)	(24.6%)
FUTS Fund						
Community Development	157,164	3,798,082	340,713	3,956,227	158,145	4.2%
	157,164	3,798,082	340,713	3,956,227	158,145	4.2%

City of Flagstaff
Summary by Division of Expenditures/Expenses within Each Fund
Comparison of Fiscal Year 2018 and 2019
(With Actual for Fiscal Year 2017)

Fund/Division	Actual Expenditures/ Expenses 2016-2017	Adopted Budgeted Expenditures/ Expenses 2017-2018	Estimated Expenditures/ Expenses 2017-2018	Proposed Budgeted Expenditures/ Expenses 2018-2019	Change (Budget-Budget)	% Change
Beautification Fund						
Economic Vitality	\$ 635,303	4,220,269	908,790	5,878,394	1,658,125	39.3%
Contingency	-	10,000	-	10,000	-	0.0%
	635,303	4,230,269	908,790	5,888,394	1,658,125	39.2%
Economic Development Fund						
Economic Vitality	964,190	1,373,357	1,365,301	1,297,120	(76,237)	(5.6%)
Contingency	-	145,000	-	145,000	-	0.0%
	964,190	1,518,357	1,365,301	1,442,120	(76,237)	(5.0%)
Tourism Fund						
Economic Vitality	2,019,904	2,617,794	2,602,794	2,782,632	164,838	6.3%
Contingency	360	50,000	-	60,000	10,000	20.0%
	2,020,264	2,667,794	2,602,794	2,842,632	174,838	6.6%
Arts and Science Fund						
Economic Vitality	521,162	866,217	631,217	1,165,463	299,246	34.5%
Contingency	-	10,000	-	10,000	-	0.0%
	521,162	876,217	631,217	1,175,463	299,246	34.2%
Recreation Fund						
Public Works	444,427	1,529,373	990,434	1,288,439	(240,934)	(15.8%)
	444,427	1,529,373	990,434	1,288,439	(240,934)	
Parking District Fund						
General Administration	-	-	-	6,479	6,479	0.0%
Management Services	-	-	-	3,978	3,978	0.0%
Economic Vitality	948,506	940,963	913,512	859,047	(81,916)	(8.7%)
Non-Departmental	-	-	-	386	386	0.0%
Contingency	-	5,000	-	30,000	25,000	500.0%
	948,506	945,963	913,512	899,890	(46,073)	(4.9%)
Total Special Revenue Funds	34,945,864	91,402,646	48,046,987	79,210,888	(12,191,758)	(13.3%)
Debt Service Funds						
General Obligation Bonds Fund						
Non-Departmental	13,011,564	7,179,103	5,354,109	7,179,678	575	0.0%
	13,011,564	7,179,103	5,354,109	7,179,678	575	
Special Assessment Bonds Fund						
Non-Departmental	206,500	210,350	211,600	210,350	-	0.0%
	206,500	210,350	211,600	210,350	-	
Total Debt Service Funds	13,218,064	7,389,453	5,565,709	7,390,028	575	0.0%
Capital Project Funds						
Non GO Bond Funded Projects Fund						
Non-Departmental	70,631	22,447,421	230,167	27,340,903	4,893,482	21.8%
	70,631	22,447,421	230,167	27,340,903	4,893,482	
GO Bonds Funded Projects Fund						
Non-Departmental	5,482,550	29,682,687	23,539,315	6,544,191	(23,138,496)	(78.0%)
	5,482,550	29,682,687	23,539,315	6,544,191	(23,138,496)	
Total Capital Projects Funds	5,553,181	52,130,108	23,769,482	33,885,094	(18,245,014)	(35.0%)

City of Flagstaff
Summary by Division of Expenditures/Expenses within Each Fund
Comparison of Fiscal Year 2018 and 2019
(With Actual for Fiscal Year 2017)

Fund/Division	Actual Expenditures/ Expenses 2016-2017	Adopted Budgeted Expenditures/ Expenses 2017-2018	Estimated Expenditures/ Expenses 2017-2018	Proposed Budgeted Expenditures/ Expenses 2018-2019	Change (Budget-Budget)	% Change
Enterprise Funds						
Drinking Water Fund						
General Administration	\$ 432,454	374,323	374,323	564,184	189,861	50.7%
Management Services	793,531	854,860	854,860	850,995	(3,865)	(0.5%)
Public Works	25,622	116,176	116,176	42,175	(74,001)	(63.7%)
Economic Vitality	36,750	24,551	24,551	7,829	(16,722)	(68.1%)
Water Services	14,180,379	25,497,907	15,608,711	29,897,668	4,399,761	17.3%
Non-Departmental	226,561	109,878	109,878	110,728	850	0.8%
Contingency	11,827	1,000,000	-	1,000,000	-	0.0%
	15,707,124	27,977,695	17,088,499	32,473,579	4,495,884	16.1%
Wastewater Fund						
General Administration	208,595	295,131	295,131	303,113	7,982	2.7%
Management Services	382,762	263,585	263,585	303,083	39,498	15.0%
Public Works	12,359	66,846	66,846	41,829	(25,017)	(37.4%)
Economic Vitality	17,726	12,335	12,335	4,164	(8,171)	(66.2%)
Water Services	8,578,792	16,717,348	12,367,247	14,211,980	(2,505,368)	(15.0%)
Non-Departmental	109,282	65,112	65,112	63,847	(1,265)	(1.9%)
Contingency	6,812	800,000	-	800,000	-	0.0%
	9,316,329	18,220,357	13,070,256	15,728,016	(2,492,341)	(13.7%)
Reclaimed Water Fund						
General Administration	24,807	8,846	8,846	19,966	11,120	125.7%
Management Services	45,519	27,316	27,316	23,391	(3,925)	(14.4%)
Public Works	1,470	-	-	1,737	1,737	0.0%
Economic Vitality	2,108	785	785	307	(478)	(60.9%)
Water Services	514,179	1,412,559	1,402,559	615,879	(796,680)	(56.4%)
Non-Departmental	12,996	2,925	2,925	4,552	1,627	55.6%
Contingency	925	50,000	-	50,000	-	0.0%
	602,004	1,502,431	1,442,431	715,832	(786,599)	(52.4%)
Stormwater Fund						
General Administration	49,480	45,469	45,469	50,305	4,836	10.6%
Management Services	40,780	56,529	56,529	57,912	1,383	2.4%
Public Works	4,517	12,915	12,915	11,897	(1,018)	(7.9%)
Economic Vitality	2,381	1,521	1,521	488	(1,033)	(67.9%)
Water Services	1,106,331	3,018,471	3,105,754	5,048,810	2,030,339	67.3%
Non-Departmental	17,090	9,239	9,239	9,022	(217)	(2.3%)
Contingency	1,250	10,000	-	50,000	40,000	400.0%
	1,221,829	3,154,144	3,231,427	5,228,434	2,074,290	65.8%
Solid Waste Fund						
General Administration	381,308	377,485	377,485	383,047	5,562	1.5%
Management Services	332,201	371,493	371,493	409,496	38,003	10.2%
Public Works	10,888,785	11,278,543	9,854,656	12,114,797	836,254	7.4%
Economic Vitality	40,125	27,199	27,199	8,627	(18,572)	(68.3%)
Non-Departmental	232,398	122,824	122,824	130,720	7,896	6.4%
Contingency	13,317	500,000	-	500,000	-	0.0%
	11,888,134	12,677,544	10,753,657	13,546,687	869,143	6.9%
Sustainability and Environmental Management Fund						
General Administration	87,814	92,655	92,655	42,810	(49,845)	(53.8%)
Management Services	33,672	50,380	50,380	62,627	12,247	24.3%
Public Works	796,011	1,134,222	854,347	1,201,062	66,840	5.9%
Economic Vitality	4,027	2,825	2,825	744	(2,081)	(73.7%)
Non-Departmental	24,623	16,884	16,884	11,880	(5,004)	(29.6%)
Contingency	-	30,000	-	30,000	-	0.0%
	946,147	1,326,966	1,017,091	1,349,123	22,157	1.7%

City of Flagstaff
Summary by Division of Expenditures/Expenses within Each Fund
Comparison of Fiscal Year 2018 and 2019
(With Actual for Fiscal Year 2017)

Fund/Division	Actual Expenditures/ Expenses 2016-2017	Adopted Budgeted Expenditures/ Expenses 2017-2018	Estimated Expenditures/ Expenses 2017-2018	Proposed Budgeted Expenditures/ Expenses 2018-2019	Change (Budget-Budget)	% Change
Airport Fund						
General Administration	\$ 84,236	78,043	78,043	90,262	12,219	15.7%
Management Services	87,528	83,141	83,141	119,854	36,713	44.2%
Public Works	103,613	94,926	94,926	73,877	(21,049)	(22.2%)
Economic Vitality	9,316,085	7,452,750	3,789,284	5,971,935	(1,480,815)	(19.9%)
Non-Departmental	51,856	19,817	19,817	22,164	2,347	11.8%
Contingency	-	100,000	-	1,213,471	1,113,471	1,113.5%
	9,643,318	7,828,677	4,065,211	7,491,563	(337,114)	(4.3%)
Flagstaff Housing Authority Fund						
Community Development	6,435,020	7,024,065	6,393,479	6,821,277	(202,788)	(2.9%)
Contingency	-	1,001,250	-	1,501,250	500,000	49.9%
	6,435,020	8,025,315	6,393,479	8,322,527	297,212	
Total Enterprise Funds	55,759,905	80,713,129	57,062,051	84,855,761	4,142,632	5.1%
Total All Funds	\$ 164,548,454	302,019,628	196,452,841	279,965,072	(22,054,556)	(7.3%)

City of Flagstaff
Budget Summary by Division of Expenditures
Comparison of Fiscal Year 2018 and 2019
(With Actual for Fiscal Year 2017)

Division/Fund	Actual Expenditures/ Expenses 2016-2017	Adopted Budgeted Expenditures/ Expenses 2017-2018	Estimated Expenditures/ Expenses * 2017-2018	Proposed Budgeted Expenditures/ Expenses 2018-2019	Change (Budget-Budget)	% Change
General Administration						
General Fund	\$ 10,029,414	10,712,958	10,244,892	11,662,856	949,898	8.9%
Library	181,405	181,956	181,956	216,364	34,408	18.9%
HURF	197,820	199,817	199,817	227,240	27,423	13.7%
Transportation	58,900	56,172	56,172	71,292	15,120	26.9%
Parking District	-	-	-	6,479	6,479	0.0%
Drinking Water	432,454	374,323	374,323	564,184	189,861	50.7%
Wastewater	208,595	295,131	295,131	303,113	7,982	2.7%
Reclaimed Water	24,807	8,846	8,846	19,966	11,120	125.7%
Stormwater	49,480	45,469	45,469	50,305	4,836	10.6%
Airport	84,236	78,043	78,043	90,262	12,219	15.7%
Solid Waste	381,308	377,485	377,485	383,047	5,562	1.5%
Sustainability and Environmental Mgmt	87,814	92,655	92,655	42,810	(49,845)	(53.8%)
Total	11,736,233	12,422,855	11,954,789	13,637,918	1,215,063	9.8%
Community Development						
General Fund	4,170,022	5,095,122	4,878,176	5,822,202	727,080	14.3%
HURF	1,768,478	16,183,302	3,252,340	7,282,568	(8,900,734)	(55.0%)
Transportation	3,342,731	16,089,334	9,338,990	8,510,068	(7,579,266)	(47.1%)
FUTS	157,164	3,798,082	340,713	3,956,227	158,145	4.2%
Housing and Community Services	911,558	3,449,647	685,834	3,737,405	287,758	8.3%
Metro Planning Organization	399,474	789,262	472,433	1,283,683	494,421	62.6%
Flagstaff Housing Authority	6,435,020	7,024,065	6,393,479	6,821,277	(202,788)	(2.9%)
Total	17,184,447	52,428,814	25,361,965	37,413,430	(15,015,384)	(28.6%)
Management Services						
General Fund	3,534,677	3,981,955	3,915,996	4,324,295	342,340	8.6%
Library	93,895	94,917	94,917	101,612	6,695	7.1%
HURF	86,123	67,945	67,945	62,612	(5,333)	(7.8%)
Transportation	339,102	369,494	369,494	320,742	(48,752)	(13.2%)
Parking District	-	-	-	3,978	3,978	0.0%
Drinking Water	793,531	854,860	854,860	850,995	(3,865)	(0.5%)
Wastewater	382,762	263,585	263,585	303,083	39,498	15.0%
Reclaimed Water	45,519	27,316	27,316	23,391	(3,925)	(14.4%)
Stormwater	40,780	56,529	56,529	57,912	1,383	2.4%
Airport	87,528	83,141	83,141	119,854	36,713	44.2%
Solid Waste	332,201	371,493	371,493	409,496	38,003	10.2%
Sustainability and Environmental Mgmt	33,672	50,380	50,380	62,627	12,247	24.3%
Total	5,769,790	6,221,615	6,155,656	6,640,597	418,982	6.7%
Fire						
General Fund	12,528,141	14,081,950	13,945,200	15,272,296	1,190,346	8.5%
Total	12,528,141	14,081,950	13,945,200	15,272,296	1,190,346	8.5%
Police						
General Fund	19,029,721	22,058,620	20,845,850	23,046,315	987,695	4.5%
Total	19,029,721	22,058,620	20,845,850	23,046,315	987,695	4.5%
Public Works						
General Fund	8,712,542	12,207,736	10,017,990	12,272,351	64,615	0.5%
Library	65,383	68,688	68,688	57,394	(11,294)	(16.4%)
HURF	8,870,104	11,170,516	7,129,786	13,691,371	2,520,855	22.6%
Transportation	757,797.00	5,100,000	2,031,076	5,078,270	(21,730)	(0.4%)
Recreation	444,427.00	1,529,373	990,434	1,288,439	(240,934)	(15.8%)
Drinking Water	25,622	116,176	116,176	42,175	(74,001)	(63.7%)
Wastewater	12,359	66,846	66,846	41,829	(25,017)	(37.4%)
Reclaimed Water	1,470	-	-	1,737	1,737	0.0%
Stormwater	4,517	12,915	12,915	11,897	(1,018)	(7.9%)
Airport	103,613	94,926	94,926	73,877	(21,049)	(22.2%)
Solid Waste	10,888,785	11,278,543	9,854,656	12,114,797	836,254	7.4%
Sustainability and Environmental Mgmt	796,011	1,134,222	854,347	1,201,062	66,840	5.9%
Total	30,682,630	42,779,941	31,237,840	45,875,199	3,095,258	7.2%

City of Flagstaff
Budget Summary by Division of Expenditures
Comparison of Fiscal Year 2018 and 2019
(With Actual for Fiscal Year 2017)

Division/Fund	Actual Expenditures/ Expenses 2016-2017	Adopted Budgeted Expenditures/ Expenses 2017-2018	Estimated Expenditures/ Expenses * 2017-2018	Proposed Budgeted Expenditures/ Expenses 2018-2019	Change (Budget-Budget)	% Change
Economic Vitality						
General Fund	\$ 304,568	990,494	990,494	939,309	(51,185)	(5.2%)
Library	4,575,226	6,349,989	5,861,031	6,411,936	61,947	1.0%
HURF	17,838	12,658	12,658	4,391	(8,267)	(65.3%)
Transportation	3,188	3,337	3,337	1,513	(1,824)	(54.7%)
Beautification	635,303	4,220,269	908,790	5,878,394	1,658,125	39.3%
Economic Development	964,190	1,373,357	1,365,301	1,297,120	(76,237)	(5.6%)
EDA Revolving Loan	-	271,748	271,457	-	(271,748)	(100.0%)
Tourism	2,019,904	2,617,794	2,602,794	2,782,632	164,838	6.3%
Arts and Science	521,162	866,217	631,217	1,165,463	299,246	34.5%
Parking District	948,506	940,963	913,512	859,047	(81,916)	(8.7%)
Drinking Water	36,750	24,551	24,551	7,829	(16,722)	(68.1%)
Wastewater	17,726	12,335	12,335	4,164	(8,171)	(66.2%)
Reclaimed Water	2,108	785	785	307	(478)	(60.9%)
Stormwater	2,381	1,521	1,521	488	(1,033)	(67.9%)
Airport	9,316,085	7,452,750	3,789,284	5,971,935	(1,480,815)	(19.9%)
Solid Waste	40,125	27,199	27,199	8,627	(18,572)	(68.3%)
Sustainability and Environmental Mgmt	4,027	2,825	2,825	744	(2,081)	(73.7%)
Total	19,409,087	25,168,792	17,419,091	25,333,899	165,107	0.7%
Water Services						
Drinking Water	14,180,379	25,497,907	15,608,711	29,897,668	4,399,761	17.3%
Wastewater	8,578,792	16,717,348	12,367,247	14,211,980	(2,505,368)	(15.0%)
Reclaimed Water	514,179	1,412,559	1,402,559	615,879	(796,680)	(56.4%)
Stormwater	1,106,331	3,018,471	3,105,754	5,048,810	2,030,339	67.3%
Total	24,379,681	46,646,285	32,484,271	49,774,337	3,128,052	6.7%
Non-Departmental						
General Fund	(3,278,081)	(734,543)	(2,859,986)	(406,323)	328,220	(44.7%)
Library	84,869	49,357	49,357	54,829	5,472	11.1%
HURF	121,777	57,159	57,159	58,781	1,622	2.8%
Transportation	7,273,220	14,444,401	9,596,887	13,213,247	(1,231,154)	(8.5%)
Housing and Community Services	71,887	89,405	89,405	89,405	-	0.0%
Metro Planning Organization	34,073	37,487	37,487	38,000	513	1.4%
Parking District	-	-	-	386	386	0.0%
General Obligation Bonds	13,011,564	7,179,103	5,354,109	7,179,678	575	0.0%
Special Assessment Bonds	206,500	210,350	211,600	210,350	-	0.0%
GO Bond Funded Projects	5,482,550	29,682,687	23,539,315	6,544,191	(23,138,496)	(78.0%)
Non GO Bond Funded Projects	70,631	22,447,421	230,167	27,340,903	4,893,482	21.8%
Drinking Water	226,561	109,878	109,878	110,728	850	0.8%
Wastewater	109,282	65,112	65,112	63,847	(1,265)	(1.9%)
Reclaimed Water	12,996	2,925	2,925	4,552	1,627	55.6%
Stormwater	17,090	9,239	9,239	9,022	(217)	(2.3%)
Airport	51,856	19,817	19,817	22,164	2,347	11.8%
Solid Waste	232,398	122,824	122,824	130,720	7,896	6.4%
Sustainability and Environmental Mgmt	24,623	16,884	16,884	11,880	(5,004)	(29.6%)
Total	23,753,797	73,809,506	36,652,179	54,676,360	(19,133,146)	(25.9%)
Reserves/Contingencies						
General Fund	40,436	1,990,000	30,000	1,690,000	(300,000)	(15.1%)
Housing and Community Services	-	-	-	505,000	505,000	0.0%
Library	-	100,000	-	100,000	-	0.0%
HURF	-	100,000	-	100,000	-	0.0%
Beautification	-	10,000	-	10,000	-	0.0%
Economic Development	-	145,000	-	145,000	-	0.0%
Tourism	360	50,000	-	60,000	10,000	20.0%
Parking District	-	5,000	-	30,000	25,000	500.0%
Arts and Science	-	10,000	-	10,000	-	0.0%
Metro Planning Organization	-	500,000	366,000	500,000	-	0.0%
Drinking Water	11,827	1,000,000	-	1,000,000	-	0.0%
Wastewater	6,812	800,000	-	800,000	-	0.0%
Reclaimed Water	925	50,000	-	50,000	-	0.0%
Stormwater	1,250	10,000	-	50,000	40,000	400.0%
Airport	-	100,000	-	1,213,471	1,113,471	1,113.5%

City of Flagstaff
Budget Summary by Division of Expenditures
Comparison of Fiscal Year 2018 and 2019
(With Actual for Fiscal Year 2017)

Division/Fund	Actual Expenditures/ Expenses 2016-2017	Adopted Budgeted Expenditures/ Expenses 2017-2018	Estimated Expenditures/ Expenses * 2017-2018	Proposed Budgeted Expenditures/ Expenses 2018-2019	Change (Budget-Budget)	% Change
Reserves/Contingencies - Continued						
Solid Waste	\$ 13,317	500,000	-	500,000	-	0.0%
Sustainability and Environmental Mgmt	-	30,000	-	30,000	-	0.0%
Flagstaff Housing Authority	-	1,001,250	-	1,501,250	500,000	49.9%
Total	74,927	6,401,250	396,000	8,294,721	1,893,471	29.6%
All Funds Total	\$ 164,548,454	302,019,628	196,452,841	279,965,072	(22,054,556)	(7.3%)

*Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

City of Flagstaff
Full-Time Employee and Personnel Compensation
Fiscal Year 2019

Fund	Full-Time Equivalent (FTE) 2019	Employee Salaries and Hourly Costs 2019	Retirement Costs 2019	Healthcare Costs 2019	Other Benefit Costs 2019	Total Estimated Personnel Compensation 2019
General Fund	586.35	\$ 37,050,369	\$ 12,576,168	\$ 4,556,529	\$ 2,856,911	\$ 57,039,977
Special Revenue Funds						
Housing and Community Services	1.00	57,565	6,793	415	4,872	69,645
Metro Planning Organization	3.88	347,217	39,896	32,992	27,733	447,838
Library	55.08	2,487,638	263,065	427,258	190,597	3,368,558
HURF	33.02	1,652,887	170,426	207,319	188,216	2,218,848
Beautification	1.70	135,855	16,074	17,196	10,136	179,261
Economic Development	2.75	191,799	22,696	20,005	15,213	249,713
Tourism	15.50	853,703	94,979	118,983	64,704	1,132,369
Arts and Science	0.40	31,990	3,797	3,627	2,456	41,870
Parking District	7.00	256,821	29,950	55,925	24,821	367,517
Total Special Revenue Funds	120.33	6,015,475	647,676	883,720	528,748	8,075,619
Enterprise Funds						
Drinking Water	50.46	3,159,502	361,177	404,079	265,035	4,189,793
Wastewater	20.00	1,293,814	151,648	177,891	111,242	1,734,595
Reclaimed Water	3.00	128,461	15,158	17,011	10,977	171,607
Stormwater	5.50	401,838	46,001	48,155	30,732	526,726
Solid Waste	47.00	2,487,836	286,942	382,534	230,108	3,387,420
Sustainability and Environmental Mgmt	9.00	511,485	60,357	84,792	39,877	696,511
Airport	11.75	628,934	317,225	105,242	38,122	1,089,523
Flagstaff Housing Authority	21.28	1,306,449	152,535	177,399	114,025	1,750,408
Total Enterprise Funds	167.99	9,918,319	1,391,043	1,397,103	840,118	13,546,583
Capital Project Funds						
GO Bond Funded Projects	1.50	96,973	83,030	12,284	5,608	197,895
Total Capital Projects Funds	1.50	96,973	83,030	12,284	5,608	197,895
Total All Funds	876.17	\$ 53,081,136	\$ 14,697,917	\$ 6,849,636	\$ 4,231,385	\$ 78,860,074

RESOLUTION NO. 2018-31

**A RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA
ADOPTING THE BUDGET FOR THE CITY OF FLAGSTAFF FOR FISCAL YEAR
2018-2019**

RECITALS:

WHEREAS, in accordance with the provisions of A.R.S. Title 42, Chapter 17, Articles 1 - 5, the City Council did, on June 5, 2018, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Flagstaff; and

WHEREAS, in accordance with said sections of said Title, and following due public notice, the Council met on June 5, 2018, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and

WHEREAS, it appears that publication has been duly made as required by law, of said estimates together with a notice that the City Council would meet on June 19, 2018, in the City Council Chambers at City Hall for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in A.R.S. 42-17051 (A).

ENACTMENTS:

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

That said estimates of revenues and expenditures shown on the accompanying schedules as now increased, reduced, or changed, are hereby adopted as the budget of the City of Flagstaff for Fiscal Year 2018-2019.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Brandi Suda, Finance Director
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Approve a Primary Property Tax Levy of \$6,707,510 in FY 2018-2019 (a 7.4% increase in levy from FY 2017-2018 plus amounts attributable to new construction) by roll call vote.

AND

Consideration and Adoption of Ordinance No. 2018-23: 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, 2019. **(Primary and secondary property tax levies for FY 2018-2019)**

STAFF RECOMMENDED ACTION:

1. ROLL CALL VOTE:

Approve the proposed increase in the primary property taxes by roll call vote as required by "Truth in Taxation" legislation.

2. ORDINANCE:

At the June 19, 2018 Council Meeting:

- 1) Read Ordinance No. 2018-23 by title only for the first time
- 2) City Clerk reads Ordinance No. 2018-23 by title only (if approved above)

At the July 3, 2018 Council Meeting:

- 3) Read Ordinance No. 2018-23 by title only for the final time
- 4) City Clerk reads Ordinance No. 2018-23 by title only (if approved above)
- 5) Adopt Ordinance No. 2018-23

Executive Summary:

The City Council is required to consider a motion to levy increased primary property taxes over the preceding year's tax levy, by roll call vote, per A.R.S. Section 42-17107

The City Council is required to fix and levy the amount to be raised from property taxation after adoption of the final budget, per A.R.S. Section 42-17151. The final budget is anticipated to be adopted on June 19, 2018.

Financial Impact:

The City is proposing a 7.4% increase in primary property tax levy (\$453,930) for a total levy of \$6,625,537 on existing properties, plus levy of \$81,973 on new construction, for an overall total primary property tax levy in FY 2017-2018 of \$6,707,510. The primary property tax rate to support this levy is \$0.8334 per \$100 of assessed valuation. The proposed primary property tax levy equals the maximum allowable primary property tax levy for FY 2018-2019 of \$6,707,510.

The City is proposing a "flat" tax rate for secondary property taxes for FY 2018-2019 for a total levy of \$6,733,265 on existing properties and new construction. The proposed secondary property tax rate is \$0.8366 per \$100 of assessed valuation (same as last FY).

Policy Impact:

Adoption of the proposed property tax levies will generate revenues to help fund the community needs as identified in the FY 2018-2019 Final Budget and policies reflected therein.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Economic Development
Affordable Housing
Social Justice
Transportation and Other Public Infrastructure
Building and Zoning/Regional Plan
Climate Change
Water Conservation
Environmental and Natural Resources
Personnel
Community Outreach
Town & Gown
Code Compliance

Has There Been Previous Council Decision on This:

- December Budget Retreat on December 12, 2017
- February Budget Retreat on February 12 & 13, 2018
- Council Budget Work Session on April 24 & 25, 2018
- Tentative Budget Adoption on June 5, 2018

Options and Alternatives:

- 1) Adopt the primary and secondary property tax rates as proposed.
- 2) Adopt the secondary property tax rate at something greater than proposed above.
- 3) Adopt primary and secondary property tax rates at something less than proposed.

Background/History:

Both the State Constitution and State law specify a property tax levy limitation system. This system consists of two levies, a limited levy known as the primary property tax levy and an unlimited levy referred to as the secondary property tax levy. The primary levy may be imposed for all purposes, while the secondary levy in cities and towns may only be used to retire the principal and interest or redemption charges on general obligation bonded indebtedness.

Every year, the "Truth in Taxation" legislation requires that the county assessor, on or before February 10, transmit to each city and town an estimate of the total net assessed valuation of the city, including new property added to the tax roll. If the proposed primary tax levy amount, excluding amounts attributable to new construction, is greater than the levy amount in the previous year, the city must follow the "Truth in Taxation" procedures. It is important to note that it is the levy amount and not the rate which triggers the "Truth in Taxation" procedures. The proposed 7.4% increase in the primary property tax levy does trigger "Truth in Taxation" requirements.

The City has the ability to increase the amount received from primary property tax levy by a maximum of 2% each year excluding new construction. The maximum allowable increase for FY 2018-2019 is 7.4%. FY 2018-2019 proposed primary property tax levy is set at the maximum allowable (\$6,707,510).

The adoption of the property tax levy is the final step in the entire budget approval process.

Key Considerations:

The key dates for budget and property tax levy adoption have been determined and have been followed throughout this process. The County adopts the property tax levy as proposed by the City on or about August 1, 2018.

Expanded Financial Considerations:

The City is budgeting primary property tax revenues of \$6,605,000 in FY 2018-2019. This budgeted amount is less than the levy amount, because the City is allowing for approximately 1.5% in bad debt (taxes not able to be collected). The City anticipates an overall 9% increase in primary property tax revenues in FY 2018-2019, due to the 7% increase in the primary property tax levy, plus a 2% increase due to new construction (properties added to tax roll). Primary property tax revenues may be used for any general purpose use of the City government. Statutorily, the maximum allowable primary property levy for FY 2018-2019 is \$6,707,510 which is the amount being proposed.

The City has budgeted a total of \$6,733,265 in FY 2018-2019 secondary property tax, an approximate 7% increase over the FY 2017-2018 budget (\$6,271,311). The increase is directly related to the increased assessed valuation (increase in property values) and new construction. Secondary property tax funds general obligation debt and City general obligation debt is issued to manage within the levy.

Five years historical data is shown below:

Property Tax Rates	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019 Proposed
Primary	\$ 0.8418	0.8234	0.8121	0.8233	0.8334
Secondary	0.8366	0.8366	0.8366	0.8366	0.8366
Total	\$ 1.6784	1.6600	1.6487	1.6599	1.6700

Primary property taxes account for 11% of the General Fund revenues budgeted for FY 2018-2019.

Community Benefits and Considerations:

Primary property taxes help support a number of City services including public safety, parks and recreation, other public works services, and general administrative and management functions within the City.

Secondary property taxes support the debt service payment on numerous city capital projects including: Aquaplex, Fire Stations, Open Space, numerous street/utility projects, Forest Restoration and the future Core Services Facility and Courthouse.

Community Involvement:

Inform & Involve: The notice for a proposed changes to primary property tax was posted on the City website on April 2, 2018. The "Truth in Taxation" notice was published in the Arizona Daily Sun on June 1, 2018 and June 10, 2018. Budget legal schedules were published in the June 7, 2018 and June 14, 2018 Arizona Daily Sun to allow for additional community review. In addition, the legal and other budget schedules were made available at City Hall, at both Flagstaff Public Libraries, and on the official city website. A public hearing on June 19, 2018 for "Truth in Taxation", the final budget adoption and the property tax levy is open for public comment and allows citizens to provide input. The final opportunity for public input on the tax levy will be at the July 3, 2018 Council Meeting.

Attachments: FY2019 Property Tax Ordinance

ORDINANCE NO. 2018-23

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, 2019

RECITALS:

WHEREAS, by the provisions of State law, the ordinance levying taxes for fiscal year 2018-2019 is required to be finally adopted not later than the third Monday in August; and

WHEREAS, the County of Coconino is the assessing and collecting authority for the City of Flagstaff.

ENACTMENTS:

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

SECTION 1. There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a primary property tax rate of 0.8334 for the fiscal year ending on the 30th day of June 2019. If this tax rate exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Coconino is hereby authorized to reduce the levy to the maximum allowable by law after providing notice to the City.

SECTION 2. In addition to the rate set in Section 1 hereof, there is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a secondary property tax rate of 0.8366 for the fiscal year ending June 30, 2019.

SECTION 3. Failure by the county officials of Coconino County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Flagstaff upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien thereon or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. That the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor and the Board of Supervisors of the County of Coconino, Arizona.

SECTION 6. Effective Date. The tax levies imposed by this Ordinance shall take effect August 2, 2018.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 3rd day of July, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Shannon Anderson, Human Resources Director
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Adoption of Ordinance No. 2018-25: An ordinance amending Section 1-07-001-0005, *Salaries*, of the Flagstaff City Code and establishing an effective date.

STAFF RECOMMENDED ACTION:

At the June 19, 2018 Council Meeting:

- 1) Read Ordinance No. 2018-25 by title only for the first time
- 2) City Clerk reads Ordinance No. 2018-25 by title only (if approved above)

At the July 3, 2018 Council Meeting:

- 3) Read Ordinance No. 2018-25 by title only for the final time
- 4) City Clerk reads Ordinance No. 2018-25 by title only (if approved above)
- 5) Adopt Ordinance No. 2018-25

Executive Summary:

In accordance with Flagstaff City Code Section 1-07-001-0005(B), on the periodic review of councilmember salaries, in 2017 the City Manager convened a five-member citizen commission (Commission) comprised of the chairs of city commissions to review and provide a recommendation for council member salaries. Under the code as currently written, this review occurs every fourth year, before the election. The Commission requested, and received, salary comparisons with other cities and pertinent cost of living information. After meeting on November 16, 2017 and December 7, 2017, the Commission made recommendations as set forth below.

Commission recommendation:

- A) Adjust the annual salary of the Mayor from the current \$36,000 to \$38,500, effective upon the beginning of the term of the Mayor after the next general election in November of 2018.
- B) Adjust the annual salaries of Councilmembers from the current \$24,000 to \$25,500, effective upon the beginning of the terms of elected Councilmembers after the next general election in November 2018.
- C) Adjust the monthly routine travel and meal allowance of the Mayor from the current \$210 to \$250, effective upon the beginning of the term of the Mayor after the next general election in November 2018.
- D) Adjust the monthly routine travel and meal allowance of Councilmembers from the current \$150 to \$166, effective upon the beginning of the terms of elected Councilmembers after the next general election in November 2018.
- E) Increase the non-routine travel and other expenses in the budget of the Mayor from the current annual amount of \$2,478.57 to \$4,125 effective July 1, 2018.
- F) Increase the non-routine travel and other expenses in the budget of the Councilmembers from the

current annual amount of \$2,478.57 to \$2,750 effective July 1, 2018.

No sitting member of Council is eligible to receive any salary increase that may be voted upon unless and until he or she is re-elected to office at the next general election. As a result, incumbent Councilmembers who are in the middle of their current term of office will not be eligible to receive this salary adjustment unless re-elected to office in the general election of November 2020.

On December 12, 2017, the City Council considered a possible ordinance based on the Commission's recommendation. Council did not adopt the proposed ordinance but opted instead to discuss possible amendments to pertinent Flagstaff City Code. Staff prepared a proposed ordinance for Council discussion on June 5, 2018.

As a result of the conversation on June 5, 2018, the following amendments have been made to Ordinance 2018-25 for Council consideration:

- Increase the salary of the Mayor and Councilmembers.
- Clarification of the Commission membership.
- Maintain August 1st deadline for final recommendation from the Commission, so the Commission may reconvene to hear the City Council discussion from the June 5, 2018 Council meeting and hear any public comment in relation to Mayor and Councilmembers salaries.
- An option for Council to elect raises in salaries to occur for the Mayor and Councilmembers at the same time.
- Increase in the routine travel and meals allowance for Mayor and Councilmembers.
- An option for the Mayor to select a monthly allowance for routine travel and meals or a City issued vehicle and lesser monthly stipend.
- Statement related to non-routine travel and other expenses included in the budget process.

Financial Impact:

The salary and benefits for Mayor and Councilmembers are included in the City's fiscal year budget.

Policy Impact:

Adopting this ordinance will update the Flagstaff City Code Section 1-07-001-0005, *Salaries*.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Has There Been Previous Council Decision on This:

No.

Attachments: Ord 2018-25 Council Salaries
 Market Analysis

ORDINANCE NO. 2018-25

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING SECTION 1-07-001-0005, SALARIES, OF THE FLAGSTAFF CITY CODE, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, Section 1-07-001-0005 of the Flagstaff City Code outlines a process for periodic review of the Mayor and City Council salaries; and

WHEREAS, as directed in said section of the City Code, the City Manager created a citizen commission to review said salaries and make recommendations to the City Council; and

WHEREAS, the citizen commission is fully authorized under Section 1-07-001-0005 of the Flagstaff City Code to make recommendation re salary adjustments for the Mayor and Council; and

WHEREAS, said citizen commission met on November 16, 2017, and December 7, 2017, to review said salaries and after studying information made available regarding other cities in Arizona and the history in Flagstaff, said commission recommendations were presented to Council on December 12, 2017;

WHEREAS, Council desires to update the City Code related to council salaries;

ENACTMENTS:

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

SECTION 1. In General.

1-07-001-0005 SALARIES:

- A. Effective upon the commencement of terms of office for those persons elected to the office of Mayor or Councilmember of the City of Flagstaff in City elections of ~~2008~~ 2018 and thereafter, the salary of the Mayor shall be THIRTY-EIGHT THOUSAND, FIVE HUNDRED DOLLARS (\$38,500.00) ~~thirty-six thousand dollars (\$36,000)~~ per year payable at THREE THOUSAND TWO HUNDRED AND EIGHT DOLLARS AND THIRTY-THREE CENTS (\$3,208.33) ~~three thousand dollars (\$3,000)~~ per month; AND the salary of Councilmembers shall be TWENTY-FIVE THOUSAND FIVE HUNDRED DOLLARS (\$25,500.00) ~~twenty-four thousand dollars (\$24,000)~~ per year payable at two thousand ONE HUNDRED AND TWENTY-FIVE DOLLARS (\$2,125) ~~(\$2,000)~~ per month.
- B. THE ANNUAL SALARY OF THE SITTING MAYOR AND COUNCILMEMBERS SHALL NOT BE INCREASED OR DECREASED DURING THEIR TERM IN OFFICE, PER LAW. COMMENCING IN 2017 AND EVERY FOURTH YEAR THEREAFTER, THE CITY MANAGER WILL ESTABLISH A CITIZEN COMMISSION TO REVIEW SALARIES. THE CITIZEN COMMISSION WILL CONSIST OF FIVE (5) MEMBERS AS FOLLOWS:

CHAIR PERSON OF THE PLANNING AND ZONING COMMISSION, OR HIS/HER DESIGNEE;

CHAIR PERSON OF THE PARKS AND RECREATION COMMISSION, OR HIS/HER DESIGNEE;

CHAIR PERSON OF THE TOURISM COMMISSION, OR HIS/HER DESIGNEE;

CHAIR PERSON OF THE WATER COMMISSION, OR HIS/HER DESIGNEE;

CHAIR PERSON OF THE TRANSPORTATION COMMISSION, OR HIS/HER DESIGNEE.

A CITIZEN COMMISSION MEMBER MUST BE A RESIDENT OF THE CITY OF FLAGSTAFF, MAY NOT BE A CITY EMPLOYEE, AND MAY NOT BE SERVING ON A CITY COMMISSION AS A LIAISON OR FOR PURPOSES OF REPRESENTING ANOTHER AGENCY. THE CITY HUMAN RESOURCES DIRECTOR OR DESIGNEE WILL ATTEND CITIZEN COMMISSION MEETINGS AND PROVIDE STAFF SUPPORT. Upon recommendation of a five member citizen commission, the aforesaid salaries shall be reviewed and may be adjusted every other odd numbered year (every fourth year) prior to an election year. The citizen commission shall be appointed one year, more or less, prior to the election year by the chairs of those city commissions that meet monthly and who are called together for the purpose of appointing the citizen commission by the City Manager, or his or her designee, who shall staff the meeting of the commission chairs, but shall have no vote. CITIZEN COMMISSION MEETINGS ARE SUBJECT TO OPEN MEETING LAWS AND THE COMMISSION WILL HOLD A PUBLIC HEARING TO OBTAIN PUBLIC COMMENTS PRIOR TO FINALIZATION OF A COMMISSION RECOMMENDATION. The citizen commission shall forward its FINAL recommendation to the City Council in the same year prior to the election year and by no later than August 1 of 2018 AND EVERY FOURTH YEAR THEREAFTER the same year. The City Council shall immediately consider the recommendation of the citizen commission, and may adopt an ordinance raising the salaries of the Mayor and Council which shall take effect for those persons elected to the office of Mayor and Councilmember in the next succeeding election OR, AT THE OPTION OF COUNCIL, THE RAISE IN SALARIES SHALL TAKE EFFECT WHEN ALL CURRENT TERMS OF OFFICE HAVE EXPIRED.

- C. A like salary shall be paid to any person appointed to fill a vacancy in the office of Mayor or Councilmember for the balance of any term commencing in June, 2008, or thereafter.
- D. Any person elected or appointed to the office of Mayor or Councilmember may, prior to commencement of their duties, elect to receive a lesser salary than herein provided if the salary provided herein imposes a hardship on that person by either disqualifying that person from receiving social security, pension, or retirement benefits or payments, or the like, or reducing the amount of such benefits or payments that person would otherwise receive. The City Manager, or his or her designee, shall determine if a hardship exemption applies in the particular circumstances.
- E. In addition to the salaries above, the Mayor MAY CHOOSE UPON COMMENCEMENT OF EACH NEW TERM OF OFFICE TO RECEIVE TWO HUNDRED AND FIFTY DOLLARS (\$250.00) shall receive ~~\$210.00~~ per month TO COVER THE EXPENSE OF

ROUTINE TRAVEL AND MEALS OR MAY ELECT TO BE PROVIDED WITH A CAR INSURED AND MAINTAINED BY CITY AND A LESSER STIPEND OF ONE HUNDRED AND FIFTY DOLLARS (\$150.00) PER MONTH TO COVER THE EXPENSE OF ROUTINE TRAVEL AND MEALS. and Councilmembers shall receive ONE HUNDRED AND SIXTY-SIX DOLLARS (\$166.00) \$150.00 per month to cover the expense of routine travel and meals. (Ord. 1733, 1-7-92). ~~The Mayor and Councilmembers are eligible for employee and dependent health care insurance provided by the City on the same terms and conditions as any other City employee.~~

- F. THE MAYOR AND COUNCILMEMBERS ARE ELIGIBLE FOR EMPLOYEE AND DEPENDENT INSURANCE PROVIDED BY THE CITY ON THE SAME TERMS AND CONDITIONS AS ANY OTHER CITY EMPLOYEE.
- G. THE FOLLOWING AMOUNTS ARE NOT SALARIES AND MAY BE ADJUSTED AT ANY TIME. THE MAYOR AND COUNCILMEMBERS MAY RECEIVE FUNDS FOR NON-ROUTINE TRAVEL OR OTHER EXPENSES INCURRED ON BEHALF OF THE CITY APPROVED THROUGH THE CITY BUDGET PROCESS.

SECTION 2. Effective Date.

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

PASSED AND ADOPTED by the City Council of the City of Flagstaff this ____ day of _____, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

City Council Market Analysis	Census Population	Mayor	Council Members
Avondale, AZ *	76,238	17,523	8,761
Bullhead City, AZ	39,540	12,000	9,000
Casa Grande, AZ *	48,571	15,978	8,876
Chandler, AZ *	236,326	50,896	29,818
Glendale, AZ	226,721	48,000	34,000
Goodyear, AZ	65,275	23,000	9,200
Kingman, AZ	28,068	9,600	6,000
Lake Havasu City, AZ *	52,527	11,400	7,800
Mesa, AZ	439,041	73,545	36,832
Peoria, AZ	154,065	31,337	20,891
Phoenix, AZ *	1,447,128	88,000	61,600
Prescott, AZ	39,843	9,000	6,000
Prescott Valley, AZ *	38,822	12,600	8,400
Scottsdale, AZ *	217,385	36,000	18,000
Sedona , AZ	10,031	8,400	6,000
Surprise, AZ *	117,517	34,017	20,242
Tempe, AZ *	161,719	58,307	29,154
Tucson, AZ	520,116	44,491	24,000
Santa Fe, NM	148,651	110,000	34,006
Market Average		43,564.70	27,789.00
Flagstaff, AZ	65,870	36,000.00	24,000.00
Market Comparison		-21.0%	-15.8%

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Possible Action: Calling of a Special Election for November 6, 2018, to address various questions and to review proposed language for the Sustainable Wages Initiative.

STAFF RECOMMENDED ACTION:

Please see individual agenda items below.

Executive Summary:

The City Council gave direction at the June 5, 2018, Council Meeting to prepare ballot language for the purpose of a continuation of the levy of three existing transaction privilege/sales taxes, the levy of a transaction privilege/sales tax for the Lone Tree Railroad Overpass from Butler Avenue to Route 66, and the levy of a transaction privilege/sales tax for increasing transit services.

On June 12, 2018, the City Council discussed a potential affordable housing ballot measure and directed staff to include a question on the ballot.

Financial Impact:

The ballot questions will ask voters to consider (1) a continuation of the levy of three existing transaction privilege/sales taxes expiring in 2020 as a single tax rate of 0.426% for roadway, pedestrian, bicycle and safety improvements; (2) the levy of a transaction privilege/sales tax at a rate of 0.23% for the Lone Tree Railroad Overpass from Butler Avenue to Route 66; (3) the levy of a transaction privilege/sales tax at a rate of 0.15% for increasing transit services; and (4) the issuance and sale of general obligation bonds for improving housing affordability.

Also on the ballot as Proposition No. 418, the Sustainable Wages Initiative will be included and proposed language will further be discussed.

Policy Impact:

N/A.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

TRANSPORTATION AND OTHER PUBLIC INFRASTRUCTURE

Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

AFFORDABLE HOUSING

Support development and increase the inventory of public and private affordable housing for renters and home owners throughout the community.

Has There Been Previous Council Decision on This:

May 22, 2018 - Council reviewed the preliminary survey results regarding the possible ballot questions.

May 29, 2018 - Council gave direction regarding the number of questions and types of financing for the transportation projects.

June 5, 2018 - Council gave direction regarding the development of ballot language for the transportation questions.

June 12, 2018 - Council discussed a potential housing question and reviewed the procedure for calling a special election.

Background/History:

To help alleviate some of the confusion with having all of these questions included in one resolution to call the Special Election, staff has prepared four separate resolutions:

Resolution No. 2018-32: Calling an election for the Continuance of Sales Taxes for Roadway, Pedestrian, Bicycle and Safety Improvements, which will include a bonding component

Resolution No. 2018-33: Calling an election for a Sales Tax for the Lone Tree Railroad Overpass from Butler Avenue to Route 66, which will include a bonding component

Resolution No. 2018-34: Approving the submission of a question for a Sales Tax for Increasing Transit Services

(This resolution is not required and a special election is not required to be called for this purpose, but a resolution has been prepared to formalize Council direction)

Resolution No. 2018-35: Calling an election for a Secondary Property, *Ad Valorem* Tax for General Obligation Bonds for Affordable Housing

Additionally, although the creation of ballot language is an administrative act, prior discussion has been held on the proposed language and this item will allow for further discussion and direction.

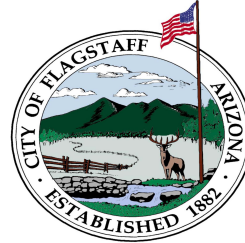
Community Involvement:

Empower

Attachments:

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/15/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Adoption of Resolution No. 2018-32: A resolution of the Flagstaff City Council calling a Special Election of the City for November 6, 2018, in conjunction with the City's General Election, to submit a question to the registered voters of Flagstaff with respect to continuation of the levy of three existing transaction privilege/sales taxes expiring in 2020 as a single rate of 0.426% for roadway, pedestrian, bicycle and safety improvements.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-32 by title only
- 2) City Clerk reads Resolution No. 2018-32 by title only (if approved above)
- 3) Adopt Resolution No. 2018-32

Executive Summary:

Refer to agenda item 14C.

Financial Impact:

Refer to agenda item 14C.

Policy Impact:

Refer to agenda item 14C.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Refer to agenda item 14C.

Has There Been Previous Council Decision on This:

Refer to agenda item 14C.

Attachments: Res. 2018-32

RESOLUTION NO. 2018-32

RESOLUTION OF THE FLAGSTAFF CITY COUNCIL CALLING A SPECIAL ELECTION OF THE CITY FOR NOVEMBER 6, 2018, IN CONJUNCTION WITH THE CITY'S GENERAL ELECTION, TO SUBMIT A QUESTION TO THE REGISTERED VOTERS OF FLAGSTAFF WITH RESPECT TO CONTINUATION OF THE LEVY OF THREE EXISTING TRANSACTION PRIVILEGE/SALES TAXES EXPIRING IN 2020 AS A SINGLE TAX RATE OF 0.426% FOR ROADWAY, PEDESTRIAN, BICYCLE AND SAFETY IMPROVEMENTS

RECITALS:

WHEREAS, the City Council of the City of Flagstaff, Arizona (the "City Council") appointed members to the Citizen's Transportation Tax Commission to serve as an ad hoc, temporary, advisory board to make recommendations to the City Council with respect to the possible renewal of the city transportation sales tax at the November 2018 election, or with respect to any other recommended tax rate to fund transportation projects; and

WHEREAS, after recommendation by the Citizens' Transportation Tax Commission, the City Council considered various options and hereby finds and recommends that transportation needs of the City can best be financed by ordering the submission of multiple ballot questions to the qualified electors of the City regarding (1) the continuation of the existing, cumulative city transaction privilege/sales taxes for general transportation purposes currently scheduled to expire on June 30, 2020; (2) a separate city sales tax for the design, construction, and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66; and (3) a separate city City's transaction privilege/sales tax for increasing transit services; and authorization for the incurrence of debt related to items (1) and (2) herein; and

WHEREAS, pursuant to Article VI, Section 2(b) of the City Charter, an increase in the City's transaction privilege/sales tax for such purposes must be approved by a majority of the qualified electors voting in the regularly scheduled general election; and

WHEREAS, pursuant to Article XVI of the Charter of the City, the City may not issue or authorize the issuance of any bonds which pledge City tax revenues as a guarantee for their payment, in whole or in part, without the approval of a majority of the qualified electors of the City voting at an election for that purpose.

ENACTMENTS:

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

Section 1. That the City Council hereby calls a Special Election of the City to be held on November 6, 2018, for the purpose of submitting to the qualified electors of the City a question with respect to the continuance of the cumulative, existing transportation transaction privilege/sales taxes expiring June 30, 2020, at the current combined rate of 42.6 cents per \$100

of taxable sales (0.426%) to be in effect for a period of 21 years beginning July 1, 2020, for roadway, pedestrian, bicycle, and safety improvements; and authorizing the incurrence of debt to accelerate such purposes as set forth in Exhibit "A" attached hereto (the "Official Ballot").

Section 2. That

- (A) notice of the Special Election of November 6, 2018, shall be given by mailing an Informational Pamphlet to each household that contains a registered voter within the City not less than thirty-five (35) days before the date of the Election.
- (B) the Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and so mailed according to law and the provisions of this resolution under the circumstances described herein.

Section 3. That the Official Ballot shall be in substantially the form attached hereto as Exhibit "A."

Section 4. That the Clerk of the City is hereby authorized to request arguments for and against the appropriate subject matter of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached hereto as Exhibit "B" (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the City Council are posted and publishing the Notice of Arguments in the *Arizona Daily Sun*. The deadline to submit arguments shall be 4:00 p.m. MST on August 8, 2018.

Section 5. That the polling places and the time the polls will be opened and closed shall be as provided in the Informational Pamphlet. The City Council hereby:

- (i) establishes the election precincts for the General/Special Election as those with the same boundaries as the election precincts as provided in Section 16-411, Arizona Revised Statutes, as amended, except as otherwise provided hereby;
- (ii) designates each polling place in each precinct as so designated for such precinct;
- (iii) approves the consolidation of any precincts as determined to be necessary by the Clerk of the City and by such indication deems such consolidation as necessary for purposes of the Election; and
- (iv) with respect to any polling place for a precinct designated within an adjacent precinct, finds that no suitable polling place is available within such precinct.

Section 6. That

- (A) the Clerk of the City is hereby authorized and directed to coordinate with the County to have printed and, if appropriate, delivered to the election officers at said polling places, to be by them furnished to the qualified electors of the City offering to vote at the Election, the appropriate version of the Official Ballot.
- (B) in order to comply with the Voting Rights Act of 1965, as amended, the following items pertaining to the Election shall be translated into Spanish as required, to-wit: Informational

Pamphlet, Official Ballot, Notice for Arguments, early voting materials and instructions at the polling places.

Section 7. That

- (A) the Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are qualified electors of the City.
- (B) early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.
- (C) the Clerk of the City is authorized and directed, if necessary, to enter into a contract with the County Recorder of Coconino County, Arizona (hereinafter referred to as the "County Recorder"), to obtain precinct registers for the Election and, if necessary, to enter into an agreement with the Elections Department of the County to conduct the Election for the City.
- (D) all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.
- (E) the Clerk of the City is hereby further authorized to take all other necessary action to facilitate the Election.

Section 8. That the Election shall be canvassed and the results thereof certified by the City Council within twenty (20) days of the Election, as provided by law.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A**OFFICIAL BALLOT****PROPOSITION NO. 419**

Purpose: Continuance of Sales Taxes for Roadway, Pedestrian, Bicycle and Safety Improvements

Shall the City Council have the authority to amend the Tax Code of the City to continue the levy of three existing transaction privilege/sales taxes expiring in 2020 as a single transaction privilege/sales tax rate of 0.426% (\$0.00426), to be in effect for a period of 21 years beginning July 1, 2020, to be used for the following purposes:

- design, construction, reconstruction, improvement and maintenance of roadways;
- construction, reconstruction and maintenance of walkways, bike paths, pedestrian and bicycle crossings;
- technology and signing;
- acquisition of necessary real estate and related interests;
- all incidental costs including relocation costs; and
- debt service on debt incurred for such purposes

and authorizing the incurrence of debt to accelerate such purposes.

A **YES** vote shall have the effect of approving the continuance of a levy of a transportation sales tax at the same cumulative rate of 0.426% as the current taxes to be in effect for a period of 21 years beginning July 1, 2020, for roadway, pedestrian, bicycle and safety improvements, and authorizing the incurrence of debt to accelerate such purposes

**SALES TAXES
CONTINUANCE, ☐
YES**

A **NO** vote shall have the effect of disapproving a levy and allowing the existing transportation sales taxes to expire on July 1, 2020.

**SALES TAXES
CONTINUANCE, ☐
NO**

EXHIBIT "B"**FORM OF NOTICE FOR ARGUMENTS****REQUEST FOR ARGUMENTS FOR AND AGAINST ISSUES TO
BE PLACED ON THE BALLOT OF THE CITY'S GENERAL/
SPECIAL ELECTION TO BE HELD ON NOVEMBER 6, 2018**

Pursuant to resolutions adopted by the Council of the City of Flagstaff, Arizona (the "City"), on June 19, 2018, (the "Resolutions"), the following questions to be considered by the qualified electors of the City were ordered to be placed on the ballot at the City's General/Special Election to be held on November 6, 2018 (the "Election").

Notice of the Election will be given by mailing an informational pamphlet to include arguments for and against the questions to be considered at the Election. (The full text of the questions to be considered at the Election are included in the respective resolutions which are available at the Office of the Clerk, 211 West Aspen Avenue, Flagstaff, Arizona 86001, and will be available on the City's website under City Clerk/Elections/2018). Any person interested in providing any such argument(s) is hereby requested to provide the same to the City Clerk, before 4:00 p.m., Arizona time on Wednesday, August 8, 2018.

In accordance with Arizona Revised Statutes, each argument filed shall contain the sworn statement of each person sponsoring it; if the argument is sponsored by an organization, it shall contain the sworn statement of two executive officers of the organization or if sponsored by a political committee it shall contain the sworn statement of the committee's chairman or treasurer. Each argument filed shall also be submitted in electronic format to the City Clerk's Office. The person or persons signing the argument shall identify themselves by giving their residence or post office address and a telephone number, which information shall not appear in the pamphlet.

PROPOSITION NO. 418	Sustainable Wage Act Initiative
PROPOSITION NO. 419	Continuance of Sales Taxes – Roadway, Pedestrian, Bicycle and Safety Improvements (Resolution No. 2018-32)
PROPOSITION NO. 420	Sales Tax – Lone Tree Railroad Overpass from Butler Avenue to Route 66 (Resolution No. 2018-33)
PROPOSITION NO. 421	Sales Tax – Increasing Transit Services (Resolution No. 2018-34)
PROPOSITION NO. 422	Secondary Property, <i>Ad Valorem</i> Tax –General Obligation Bonds for Affordable Housing (Resolution No. 2018-35)

If you have any questions about the foregoing, please contact Elizabeth A. Burke, City Clerk, at 928-213-2076.

/s/ Elizabeth A. Burke

Elizabeth A. Burke, Flagstaff City Clerk

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/15/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Adoption of Resolution No. 2018-33: A resolution of the Flagstaff City Council calling a Special Election of the City for November 6, 2018, in conjunction with the City's General Election, to submit a question to the qualified electors of Flagstaff with respect to a separate sales tax for the design, construction, and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-33 by title only
- 2) City Clerk reads Resolution No.2018-33 by title only (if approved above)
- 3) Adopt Resolution No. 2018-33

Executive Summary:

Refer to agenda item 14C.

Financial Impact:

Refer to agenda item 14C.

Policy Impact:

Refer to agenda item 14C.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Refer to agenda item 14C.

Has There Been Previous Council Decision on This:

Refer to agenda item 14C.

Attachments: Res. 2018-33

RESOLUTION NO. 2018-33

RESOLUTION OF THE FLAGSTAFF CITY COUNCIL CALLING A SPECIAL ELECTION OF THE CITY FOR NOVEMBER 6, 2018, IN CONJUNCTION WITH THE CITY'S GENERAL ELECTION, TO SUBMIT A QUESTION TO THE QUALIFIED ELECTORS OF FLAGSTAFF WITH RESPECT TO A SEPARATE SALES TAX FOR THE DESIGN, CONSTRUCTION, AND MAINTENANCE OF THE LONE TREE RAILROAD OVERPASS FROM BUTLER AVENUE TO ROUTE 66

RECITALS:

WHEREAS, the City Council of the City of Flagstaff, Arizona (the "City Council") appointed members to the Citizens' Transportation Tax Commission to serve as an ad hoc, temporary, advisory board to make recommendations to the City Council with respect to the possible renewal of the city transportation sales tax at the November 2018 election, or with respect to any other recommended tax rate to fund transportation projects; and

WHEREAS, after recommendation by the Citizens' Transportation Tax Commission, the City Council considered various options and hereby finds and recommends that transportation needs of the City can best be financed by ordering the submission of multiple ballot questions to the qualified electors of the City regarding (1) the continuation of the existing, cumulative city transaction privilege/sales taxes for general transportation purposes currently scheduled to expire on June 30, 2020; (2) a separate city sales tax for the design, construction, and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66; and (3) a separate city transaction privilege/sales tax for increasing transit services; and authorization for the incurrence of debt related to items (1) and (2) herein; and

WHEREAS, pursuant to Article VI, Section 2(b) of the City Charter, an increase in the city transaction privilege/sales tax for such purposes must be approved by a majority of the qualified electors voting in the regularly scheduled general election; and

WHEREAS, pursuant to Article XVI of the Charter of the City, the City may not issue or authorize the issuance of any bonds which pledge City tax revenues as a guarantee for their payment, in whole or in part, without the approval of a majority of the qualified electors of the City voting at an election for that purpose.

ENACTMENTS:

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

Section 1. That the City Council hereby calls a Special Election of the City to be held on November 6, 2018, for the purpose of submitting to the qualified electors of the City a question with respect to a city transaction privilege/sales tax of an additional 23 cents per \$100 of taxable sales (0.23%) for a period of twenty (20) years beginning July 1, 2019, to be used for the Lone

Tree Railroad Overpass from Butler Avenue to Route 66, and authorizing the incurrence of debt to accelerate such purposes as set forth in Exhibit "A" attached hereto (the "Official Ballot").

Section 2. That

- (A) notice of the Special Election of November 6, 2018, shall be given by mailing an Informational Pamphlet to each household that contains a registered voter within the City not less than thirty-five (35) days before the date of the Election.
- (B) the Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and so mailed according to law and the provisions of this resolution under the circumstances described herein.

Section 3. That the Official Ballot shall be in substantially the form attached hereto as Exhibit "A."

Section 4. That the Clerk of the City is hereby authorized to request arguments for and against the appropriate subject matter of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached hereto as Exhibit "B" (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the City Council are posted and publishing the Notice of Arguments in the *Arizona Daily Sun*. The deadline to submit arguments shall be 4:00 p.m. MST on August 8, 2018.

Section 5. That the polling places and the time the polls will be opened and closed shall be as provided in the Informational Pamphlet. The City Council hereby:

- (i) establishes the election precincts for the General/Special Election as those with the same boundaries as the election precincts as provided in Section 16-411, Arizona Revised Statutes, as amended, except as otherwise provided hereby;
- (ii) designates each polling place in each precinct as so designated for such precinct;
- (iii) approves the consolidation of any precincts as determined to be necessary by the Clerk of the City and by such indication deems such consolidation as necessary for purposes of the Election; and
- (iv) with respect to any polling place for a precinct designated within an adjacent precinct, finds that no suitable polling place is available within such precinct.

Section 6. That

- (A) the Clerk of the City is hereby authorized and directed to coordinate with the County to have printed and, if appropriate, delivered to the election officers at said polling places, to be by them furnished to the qualified electors of the City offering to vote at the Election, the appropriate version of the Official Ballot.
- (B) in order to comply with the Voting Rights Act of 1965, as amended, the following items pertaining to the Election shall be translated into Spanish as required, to-wit: Informational Pamphlet, Official Ballot, Notice for Arguments, early voting materials and instructions at the polling places.

Section 7. That

- (A) the Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are qualified electors of the City.
- (B) early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.
- (C) the Clerk of the City is authorized and directed, if necessary, to enter into a contract with the County Recorder of Coconino County, Arizona (hereinafter referred to as the "County Recorder"), to obtain precinct registers for the Election and, if necessary, to enter into an agreement with the Elections Department of the County to conduct the Election for the City.
- (D) all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.
- (E) the Clerk of the City is hereby further authorized to take all other necessary action to facilitate the Election.

Section 8. That the Election shall be canvassed and the results thereof certified by the City Council within twenty (20) days of the Election, as provided by law.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A**OFFICIAL BALLOT****PROPOSITION NO. 420**

Purpose: **Sales Tax for Lone Tree Railroad Overpass from Butler Avenue to Route 66**

Shall the City Council have the authority to amend the Tax Code of the City to levy a transaction privilege/sales tax at a rate of 0.23% (\$0.0023) to be in effect for a period of 20 years beginning July 1, 2019, to be used for the Lone Tree Railroad Overpass from Butler Avenue to Route 66, including the following purposes:

- design, construction, reconstruction, improvement and maintenance of bridges and overpasses, and adjacent streets, highways, walkways, trails and bike paths;
- lighting, landscaping, technology and signing;
- acquisition of necessary real estate and related interests;
- all incidental costs including relocation costs; and
- debt service on debt incurred for such purposes

and authorizing the incurrence of debt to accelerate such purposes.

A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.23% to be in effect for a period of 20 years commencing July 1, 2019, for the design, construction and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66, and authorizing the incurrence of debt to accelerate such purposes

**SALES TAX
INCREASE,
YES** ☐

A **NO** vote shall have the effect of not approving a levy of a sales tax at a rate of 0.23% to be in effect for a period of 20 years commencing July 1, 2019, for the design, construction and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66

**SALES TAX
INCREASE,
NO** ☐

EXHIBIT "B"**FORM OF NOTICE FOR ARGUMENTS****REQUEST FOR ARGUMENTS FOR AND AGAINST ISSUES TO
BE PLACED ON THE BALLOT OF THE CITY'S GENERAL/
SPECIAL ELECTION TO BE HELD ON NOVEMBER 6, 2018**

Pursuant to resolutions adopted by the Council of the City of Flagstaff, Arizona (the "City"), on June 19, 2018, (the "Resolutions"), the following questions to be considered by the qualified electors of the City were ordered to be placed on the ballot at the City's General/Special Election to be held on November 6, 2018 (the "Election").

Notice of the Election will be given by mailing an informational pamphlet to include arguments for and against the questions to be considered at the Election. (The full text of the questions to be considered at the Election are included in the respective resolutions which are available at the Office of the Clerk, 211 West Aspen Avenue, Flagstaff, Arizona 86001, and will be available on the City's website under City Clerk/Elections/2018). Any person interested in providing any such argument(s) is hereby requested to provide the same to the City Clerk, before 4:00 p.m., Arizona time on Wednesday, August 8, 2018.

In accordance with Arizona Revised Statutes, each argument filed shall contain the sworn statement of each person sponsoring it; if the argument is sponsored by an organization, it shall contain the sworn statement of two executive officers of the organization or if sponsored by a political committee it shall contain the sworn statement of the committee's chairman or treasurer. Each argument filed shall also be submitted in electronic format to the City Clerk's Office. The person or persons signing the argument shall identify themselves by giving their residence or post office address and a telephone number, which information shall not appear in the pamphlet.

PROPOSITION NO. 418	Sustainable Wage Act Initiative
PROPOSITION NO. 419	Continuance of Sales Taxes – Roadway, Pedestrian, Bicycle and Safety Improvements (Resolution No. 2018-32)
PROPOSITION NO. 420	Sales Tax – Lone Tree Railroad Overpass from Butler Avenue to Route 66 (Resolution No. 2018-33)
PROPOSITION NO. 421	Sales Tax – Increasing Transit Services (Resolution No. 2018-34)
PROPOSITION NO. 422	Secondary Property, <i>Ad Valorem</i> Tax –General Obligation Bonds for Affordable Housing (Resolution No. 2018-35)

If you have any questions about the foregoing, please contact Elizabeth A. Burke, City Clerk, at 928-213-2076.

/s/ Elizabeth A. Burke

Elizabeth A. Burke, Flagstaff City Clerk

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/15/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Adoption of Resolution No. 2018-34: A resolution of the Flagstaff City Council approving the submission of a question to the qualified electors of Flagstaff at the November 6, 2018, General/Special Election with respect to a separate sales tax for increasing transit services.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-34 by title only
- 2) City Clerk reads Resolution No. 2018-34 by title only (if approved above)
- 3) Adopt Resolution No. 2018-34

Executive Summary:

Refer to agenda item 16B.

Financial Impact:

Refer to agenda item 16B.

Policy Impact:

Refer to agenda item 16B.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Refer to agenda item 16B.

Has There Been Previous Council Decision on This:

Refer to agenda item 16B.

Attachments: Res. 2018-34

RESOLUTION NO. 2018-34

RESOLUTION OF THE FLAGSTAFF CITY COUNCIL APPROVING THE SUBMISSION OF A QUESTION TO THE QUALIFIED ELECTORS OF FLAGSTAFF AT THE NOVEMBER 6, 2018, GENERAL/SPECIAL ELECTION WITH RESPECT TO A SEPARATE SALES TAX FOR INCREASING TRANSIT SERVICES

RECITALS:

WHEREAS, the City Council of the City of Flagstaff, Arizona (the "City Council") appointed members to the Citizen's Transportation Tax Commission to serve as an ad hoc, temporary, advisory board to make recommendations to the City Council with respect to the possible renewal of the city transportation transaction privilege/sales tax at the November 2018 election, or with respect to any other recommended tax rate to fund transportation projects; and

WHEREAS, after recommendation by the Citizens' Transportation Tax Commission, the City Council considered various options and hereby finds and recommends that transportation needs of the City can best be financed by ordering the submission of multiple ballot questions to the qualified electors of the City regarding (1) the continuation of the existing, cumulative city transaction privilege/sales taxes for general transportation purposes currently scheduled to expire on June 30, 2020; (2) a separate city sales tax for the design, construction, and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66; and (3) a separate city transaction privilege/sales tax for increasing transit services; and authorization for the incurrence of debt related to items (1), (2) and (3) herein; and

WHEREAS, pursuant to Article VI, Section 2(b) of the City Charter, an increase in the City's transaction privilege/sales tax for such purposes must be approved by a majority of the qualified electors voting in the regularly scheduled general election; and

ENACTMENTS:

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

- (A) Section 1. That the City Council hereby approves the submission of a question to the qualified electors of the City of Flagstaff at the General/Special Election of November 6, 2018, with respect to an increase in the City's transaction privilege/sales tax of an additional 15 cents per \$100 of taxable sales (0.15%) for a period of eleven (11) years beginning July 1, 2019, for increasing transit services as set forth in the hereinafter described Official Ballot; and

Section 2. That

- (A) the notice of the Special Election of November 6, 2018, shall be given by mailing an Informational Pamphlet to each household that contains a registered voter within the City not less than thirty-five (35) days before the date of the Election.

- (B) the Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and so mailed according to law and the provisions of this resolution under the circumstances described herein.

Section 3. That the Informational Pamphlet shall contain the information required by Section 35-454, Arizona Revised Statutes, as amended, and a sample of the Official Ballot shall be in a form the Clerk of the City deems acceptable.

Section 4. That the Official Ballot shall be in substantially the form hereto attached and marked Exhibit "A."

Section 5. That the Clerk of the City is hereby authorized to request arguments for and against the appropriate subject matter of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached hereto and marked Exhibit "B" (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the City Council are posted and publishing the Notice of Arguments in the *Arizona Daily Sun*. The deadline to submit arguments shall be 4:00 p.m. MST on August 8, 2018.

Section 6. That the polling places and the time the polls will be opened and closed shall be as provided in the Informational Pamphlet. The City Council hereby:

- (i) establishes the election precincts for the General/Special Election as those with the same boundaries as the election precincts as provided in Section 16-411, Arizona Revised Statutes, as amended, except as otherwise provided hereby;
- (ii) designates each polling place in each precinct as so designated for such precinct;
- (iii) approves the consolidation of any precincts as determined to be necessary by the Clerk of the City and by such indication deems such consolidation as necessary for purposes of the Election; and
- (iv) with respect to any polling place for a precinct designated within an adjacent precinct, finds that no suitable polling place is available within such precinct.

Section 7. That

- (A) the Clerk of the City is hereby authorized and directed to coordinate with the County to have printed and, if appropriate, delivered to the election officers at said polling places, to be by them furnished to the qualified electors of the City offering to vote at the Election, the appropriate version of the Official Ballot.
- (B) in order to comply with the Voting Rights Act of 1965, as amended, the following items pertaining to the Election shall be translated into Spanish as required, to-wit: Informational Pamphlet, Official Ballot, Notice for Arguments, early voting materials and instructions at the polling places.

Section 8. That

- (A) the Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law,

and only such persons shall be permitted to vote at the Election who are qualified electors of the City.

- (B) early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.
- (C) the Clerk of the City is authorized and directed, if necessary, to enter into a contract with the County Recorder of Coconino County, Arizona (hereinafter referred to as the "County Recorder"), to obtain precinct registers for the Election and, if necessary, to enter into an agreement with the Elections Department of the County to conduct the Election for the City.
- (D) all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.
- (E) the Clerk of the City is hereby further authorized to take all other necessary action to facilitate the Election.

Section 9. That

- (A) the Election shall be canvassed and the results thereof certified by the City Council within twenty (20) days of the Election, as provided by law.
- (B) the City Council shall file and record in the office of the County Recorder of the County a certificate disclosing with respect to the Election the purpose of the Election, the total number of votes cast and the total number of votes for and against creating the indebtedness and stating whether or not the indebtedness is ordered in each case.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A**OFFICIAL BALLOT****PROPOSITION NO. 421**

Purpose: Sales Tax for Increasing Transit Services

Shall the City Council have the authority to amend the Tax Code of the City to levy a transaction privilege/sales tax at a rate of 0.15% (\$0.0015) to be in effect for a period of 11 years beginning July 1, 2019, for increasing public transportation including constructing, acquiring, operating, and maintaining equipment and facilities for more frequent transit service within the City of Flagstaff.

A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.15% to be in effect for a period of 11 years beginning July 1, 2020, for increasing transit services within the City of Flagstaff

**SALES TAX
INCREASE,
YES**

☐

A **NO** vote shall have the effect of not approving a levy of a sales tax at a rate of 0.15% to be in effect for a period of 11 years beginning July 1, 2020, for increasing transit services within the City of Flagstaff

**SALES TAX
INCREASE,
NO**

☐

EXHIBIT "B"**FORM OF NOTICE FOR ARGUMENTS****REQUEST FOR ARGUMENTS FOR AND AGAINST ISSUES TO
BE PLACED ON THE BALLOT OF THE CITY'S GENERAL/
SPECIAL ELECTION TO BE HELD ON NOVEMBER 6, 2018**

Pursuant to resolutions adopted by the Council of the City of Flagstaff, Arizona (the "City"), on June 19, 2018, (the "Resolutions"), the following questions to be considered by the qualified electors of the City were ordered to be placed on the ballot at the City's General/Special Election to be held on November 6, 2018 (the "Election").

Notice of the Election will be given by mailing an informational pamphlet to include arguments for and against the questions to be considered at the Election. (The full text of the questions to be considered at the Election are included in the respective resolutions which are available at the Office of the Clerk, 211 West Aspen Avenue, Flagstaff, Arizona 86001, and will be available on the City's website under City Clerk/Elections/2018). Any person interested in providing any such argument(s) is hereby requested to provide the same to the City Clerk, before 4:00 p.m., Arizona time on Wednesday, August 8, 2018.

In accordance with Arizona Revised Statutes, each argument filed shall contain the sworn statement of each person sponsoring it; if the argument is sponsored by an organization, it shall contain the sworn statement of two executive officers of the organization or if sponsored by a political committee it shall contain the sworn statement of the committee's chairman or treasurer. Each argument filed shall also be submitted in electronic format to the City Clerk's Office. The person or persons signing the argument shall identify themselves by giving their residence or post office address and a telephone number, which information shall not appear in the pamphlet.

PROPOSITION NO. 418	Sustainable Wage Act Initiative
PROPOSITION NO. 419	Continuance of Sales Taxes – Roadway, Pedestrian, Bicycle and Safety Improvements (Resolution No. 2018-32)
PROPOSITION NO. 420	Sales Tax – Lone Tree Railroad Overpass from Butler Avenue to Route 66 (Resolution No. 2018-33)
PROPOSITION NO. 421	Sales Tax – Increasing Transit Services (Resolution No. 2018-34)
PROPOSITION NO. 422	Secondary Property, <i>Ad Valorem</i> Tax –General Obligation Bonds for Affordable Housing (Resolution No. 2018-35)

If you have any questions about the foregoing, please contact Elizabeth A. Burke, City Clerk, at 928-213-2076.

/s/ Elizabeth A. Burke

Elizabeth A. Burke, Flagstaff City Clerk

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/15/2018
Meeting Date: 06/19/2018



TITLE:

Consideration and Adoption of Ordinance/Resolution No. 2018-35: A resolution of the Flagstaff City Council calling a Special Election of the City for November 6, 2018, in conjunction with the City's General Election, to submit a question to the qualified electors of Flagstaff with respect to selling and issuing general obligation bonds in the aggregate principal amount of \$25,000,000 to improve housing affordability, to be repaid with secondary property taxes.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-35 by title only
- 2) City Clerk reads Resolution No. 2018-35 by title only (if approved above)
- 3) Adopt Resolution No. 2018-35

Executive Summary:

Refer to agenda item 14C.

Financial Impact:

Refer to agenda item 14C.

Policy Impact:

Refer to agenda item 14C.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Refer to agenda item 14C.

Has There Been Previous Council Decision on This:

Refer to agenda item 14C.

Attachments: Res. 2018-35

RESOLUTION NO. 2018-35

RESOLUTION OF THE FLAGSTAFF CITY COUNCIL CALLING A SPECIAL ELECTION OF THE CITY FOR NOVEMBER 6, 2018, IN CONJUNCTION WITH THE CITY'S GENERAL ELECTION, TO SUBMIT A QUESTION TO THE QUALIFIED ELECTORS OF FLAGSTAFF WITH RESPECT TO SELLING AND ISSUING GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$25,000,000 TO IMPROVE HOUSING AFFORDABILITY, TO BE REPAID WITH SECONDARY PROPERTY TAXES

RECITALS:

WHEREAS, the City Council hereby finds and determines that the need for housing that can be affordably acquired by qualified residents of the City can best be provided, in part, by City programs that are best financed through the sale and issuance of bonds, the debt service of which shall be paid through the levy of secondary, *ad valorem* property taxes levied upon all taxable property in the City; and

WHEREAS, Article XVI of the Charter of the City requires the approval of a majority of the qualified electors of the City if the amount to be expended is for other than utilities, public safety and street facilities and is more than \$1,000,000 (adjusted annually by the consumer price index since the effective date of such restriction); and

WHEREAS, pursuant to Section 35-452, Arizona Revised Statutes, the City Council must order an election to determine whether future capital needs, such as housing that can be affordably acquired by qualified residents of the City, can be financed through the sale and issuance of bonds of the City, the debt service of which shall be paid through the levy of secondary, *ad valorem* property taxes levied upon all taxable property in the City.

ENACTMENTS:

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

Section 1. That the City Council hereby calls a Special Election of the City to be held on November 6, 2018, for the purpose of submitting to the qualified electors of the City the question substantially in the form set forth in Exhibit "A" attached hereto (the "Official Ballot").

Section 2. That the aggregate principal amount of the bonds to be authorized at the Special Election shall be \$25,000,000; the maximum rate of interest to be paid thereon shall be not more than ten percent (10%) per annum; the minimum and maximum number of years bonds of any issue or series authorized at the General/Special Election may run from their date shall be ____ years and 20 years, respectively; the purposes for which the money derived from the sale of the bonds will be expended shall be as more fully set forth in the Official Ballot; the City currently has

\$_____ aggregate principal amount of general obligation debt outstanding and the constitutional debt limit of the City is \$_____, being twenty-six percent (26%) of the net assessed full cash value of the taxable property in the City (which debt limit is based on the estimated value provided by the Assessor of Coconino County, Arizona (hereinafter referred to as the "County Assessor") for 2018/2019.

Section 3. That

- (A) notice of the Special Election of November 6, 2018, shall be given by mailing an Informational Pamphlet to each household that contains a registered voter within the City not less than thirty-five (35) days before the date of the Election.
- (B) the Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and so mailed according to law and the provisions of this resolution under the circumstances described herein.

Section 4. That the Informational Pamphlet shall contain the information required by Section 35-454, Arizona Revised Statutes, as amended, and a sample of the Official Ballot shall be in a form the Clerk of the City deems acceptable.

Section 5. That the Official Ballot shall be in substantially the form attached hereto as Exhibit "A."

Section 6. That the Clerk of the City is hereby authorized to request arguments for and against the appropriate subject matter of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached hereto as marked Exhibit "B" (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the City Council are posted and publishing the Notice of Arguments in the *Arizona Daily Sun*. The deadline to submit arguments shall be 4:00 p.m. MST on August 8, 2018.

Section 7. That the polling places and the time the polls will be opened and closed shall be as provided in the Informational Pamphlet. The City Council hereby:

- (i) establishes the election precincts for the General/Special Election as those with the same boundaries as the election precincts as provided in Section 16-411, Arizona Revised Statutes, as amended, except as otherwise provided hereby;
- (ii) designates each polling place in each precinct as so designated for such precinct;
- (iii) approves the consolidation of any precincts as determined to be necessary by the Clerk of the City and by such indication deems such consolidation as necessary for purposes of the Election; and
- (iv) with respect to any polling place for a precinct designated within an adjacent precinct, finds that no suitable polling place is available within such precinct.

Section 8. That

- (A) the Clerk of the City is hereby authorized and directed to coordinate with the County to have printed and, if appropriate, delivered to the election officers at said polling places, to be by them furnished to the qualified electors of the City offering to vote at the Election, the appropriate version of the Official Ballot.
- (B) in order to comply with the Voting Rights Act of 1965, as amended, the following items pertaining to the Election shall be translated into Spanish as required, to-wit: Informational Pamphlet, Official Ballot, Notice for Arguments, early voting materials and instructions at the polling places.

Section 9. That

- (A) the Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are qualified electors of the City.
- (B) early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.
- (C) the Clerk of the City is authorized and directed, if necessary, to enter into a contract with the County Recorder of the County, to obtain precinct registers for the Election and, if necessary, to enter into an agreement with the Elections Department of the County to conduct the Election for the City.
- (D) all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.
- (E) the Clerk of the City is hereby further authorized to take all other necessary action to facilitate the Election.

Section 10. That

- (A) the Election shall be canvassed and the results thereof certified by the City Council within twenty (20) days of the Election, as provided by law.
- (B) the City Council shall file and record in the office of the County Recorder of the County a certificate disclosing with respect to the Election the purpose of the Election, the total number of votes cast and the total number of votes for and against creating the indebtedness and stating whether or not the indebtedness is ordered in each case.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of June, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A**OFFICIAL BALLOT****PROPOSITION NO. 422**

Purpose: Improving Housing Affordability
Amount: \$25,000,000

To address the high cost of housing in Flagstaff, shall the City of Flagstaff be authorized to issue and sell general obligation bonds in a principal amount up to \$25,000,000:

- for the purpose of increasing the number of housing units affordable for more residents in the City by construction, rehabilitation, redevelopment and acquisition of land for housing units; and the related infrastructure;
- for the purpose of assisting more Flagstaff residents to afford housing by making loans and grants for the construction, rehabilitation, redevelopment and acquisition of housing units; and the related infrastructure;
- to pay all costs and expenses properly incidental thereto and to the issuance and sale of bonds?

The bonds may be issued in one or more series, will not mature more than 20 years from the date or dates of their issue, will bear interest at a rate or rates not to exceed 10% per annum, and will have such other provisions as are approved by the City Council.

If the bonds are approved the City Council will create and appoint a Housing Bond Committee to advise the City Council on the use of the proceeds of the sale of the bonds and related matters.

The following sentence has been included on this ballot as required by Section 35-454(C), Arizona Revised Statutes: The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

A **YES** vote shall authorize the governing body of the City to issue and sell \$25,000,000 of general obligation bonds of the City to be repaid with secondary property taxes.

**BOND
APPROVAL,
YES** ☐

A **NO** vote shall not authorize the governing body of the City to issue and sell such bonds of the City.

**BOND
APPROVAL,
NO** ☐

EXHIBIT "B"**FORM OF NOTICE FOR ARGUMENTS****REQUEST FOR ARGUMENTS FOR AND AGAINST ISSUES TO
BE PLACED ON THE BALLOT OF THE CITY'S GENERAL/
SPECIAL ELECTION TO BE HELD ON NOVEMBER 6, 2018**

Pursuant to resolutions adopted by the Council of the City of Flagstaff, Arizona (the "City"), on June 19, 2018, (the "Resolutions"), the following questions to be considered by the qualified electors of the City were ordered to be placed on the ballot at the City's General/Special Election to be held on November 6, 2018 (the "Election").

Notice of the Election will be given by mailing an informational pamphlet to include arguments for and against the questions to be considered at the Election. (The full text of the questions to be considered at the Election are included in the respective resolutions which are available at the Office of the Clerk, 211 West Aspen Avenue, Flagstaff, Arizona 86001, and will be available on the City's website under City Clerk/Elections/2018). Any person interested in providing any such argument(s) is hereby requested to provide the same to the City Clerk, before 4:00 p.m., Arizona time on Wednesday, August 8, 2018.

In accordance with Arizona Revised Statutes, each argument filed shall contain the sworn statement of each person sponsoring it; if the argument is sponsored by an organization, it shall contain the sworn statement of two executive officers of the organization or if sponsored by a political committee it shall contain the sworn statement of the committee's chairman or treasurer. Each argument filed shall also be submitted in electronic format to the City Clerk's Office. The person or persons signing the argument shall identify themselves by giving their residence or post office address and a telephone number, which information shall not appear in the pamphlet.

PROPOSITION NO. 418	Sustainable Wage Act Initiative
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PROPOSITION NO. 422	Secondary Property, <i>Ad Valorem</i> Tax –General Obligation Bonds for Affordable Housing (Resolution No. 2018-35)

If you have any questions about the foregoing, please contact Elizabeth A. Burke, City Clerk, at 928-213-2076.

/s/ Elizabeth A. Burke

Elizabeth A. Burke, Flagstaff City Clerk

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/15/2018
Meeting Date: 06/19/2018



TITLE:

~~Consideration and Direction of~~ **INFORMATION AND UPDATE ON Sustainable Wages Initiative
Ballot Question**

STAFF RECOMMENDED ACTION:

Executive Summary:

Refer to agenda item 14C.

Financial Impact:

Refer to agenda item 14C.

Policy Impact:

Refer to agenda item 14C.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Refer to agenda item 14C.

Previous Council Decision on This:

Refer to agenda item 14C.

Attachments: Ballot Language

PROPOSITION NO. 418

OFFICIAL TITLE: SUSTAINABLE WAGES ACT

DESCRIPTIVE TITLE: Amendment to the Flagstaff City Code Chapter 15-01, Minimum Wage, reducing the current minimum wage in Flagstaff to at least the minimum hourly wage imposed by state law and eventually an additional fifty cents per hour; and making other provisions similar to parallel provisions in state law.

A **YES** vote shall have the effect of amending Chapter 15-01, Minimum Wage, of the Flagstaff City Code by reducing the current minimum wage to the state minimum wage until January 1, 2021, after which the minimum wage will be fifty cents per hour above the state minimum wage; and amending other provisions making Chapter 15-01 similar to state law

YES

☐

A **NO** vote shall have the effect of not amending Chapter 15-01, Minimum Wage, of the Flagstaff City Code and retaining the existing current minimum hourly wage and provisions approved by the voters in 2016

NO

☐

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Shane Dille, Deputy City Manager
Date: 06/13/2018
Meeting Date: 06/19/2018



TITLE:

Consideration of Appointments: City Council Representative and Alternate to the NAIPTA Executive Board.

STAFF RECOMMENDED ACTION:

Appoint Vice Mayor Whelan as a City Council Representative, and Councilmember Jim McCarthy as an Alternate, on the NAIPTA Executive Board.

Executive Summary:

At your Council meeting of May 8, 2018, Councilmember Putzova mentioned during the "To/From" portion of the agenda that due to a permanent scheduling conflict she would not be able to continue to serve as a Council Representative on the NAIPTA Executive Board. An appointment to fill the vacancy is needed. As it is a function of the Council to make this particular appointment staff is presenting Council with this decision tonight.

Financial Impact:

None

Policy Impact:

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

2017 - 2019 Council Goal:

TRANSPORTATION & PUBLIC INFRASTRUCTURE -- Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

Has There Been Previous Council Decision on This:

N/A

Attachments:

CONFIDENTIAL DRAFT - NOT FOR PUBLICATION - CONFIDENTIAL DRAFT



2017 MEI Scorecard - Flagstaff, Arizona

	Max Pts. (SO/GI)	State		County		Municipal		Earned Pts.
Part I. Non-Discrimination Law		SO	GI	SO	GI	SO	GI	
A. Employment	10 (5/5)	0	0	0	0	5	5	10
B. Housing	10 (5/5)	0	0	0	0	0	0	0
C. Public Accommodations	10 (5/5)	0	0	0	0	5	5	10
	30 (15/15)	Part I. Standard Points						20

Part II. Municipality As Employer				SO	GI	
A. Non-Discrimination in City Employment	12 (6/6)		6	6	12	
B. Trans-Inclusive Healthcare Benefits	6		0		0	
C. City Contractor Non-Discrimination Ordinance	6 (3/3)		1	1	2	
BONUS: Inclusive Workplace	2		0		0	
	24	Part II. Standard Points				14
	2	Part II. Bonus Points				0

Part III. Municipal Services		SO	GI	SO	GI	SO	GI	
A. Human Rights Commission	5			0		5	5	
B. LGBTQ Liaison in City Executive's Office	5					0	0	
C. Enumerated Anti-Bullying School Policies	6 (3/3)	0	0	0	0	3	3	
BONUS: Enforcement Mechanism in Human Rights Commission	2			0		0	0	
BONUS: City provides services to LGBTQ youth	2					0	0	
BONUS: City provides services to LGBTQ homeless	2					0	0	
BONUS: City provides services to LGBTQ elders	2					0	0	
BONUS: City provides services to people living with HIV or AIDS	2					2	2	
BONUS: City provides services to the transgender community	2					0	0	
	16	Part III. Standard Points						11
	12	Part III. Bonus Points						2

Part IV. Law Enforcement				
A. LGBTQ Police Liaison or Task Force	10		0	0
B. Reported 2015 Hate Crimes Statistics to the FBI	12		12	12
	22	Part IV. Standard Points		12

Part V. Leadership on LGBTQ Equality				
A. Leadership's Public Position on LGBTQ Equality	0-5		4	4
B. Leadership's Pro-Equality Legislative or Policy Efforts	0-3		2	2
BONUS: Openly LGBTQ Elected or Appointed Municipal Leaders	2		2	2
BONUS: City Tests Limits of Restrictive State Law	4		0	0
	8	Part V. Standard Points		6
	6	Part V. Bonus Points		2

Key
SO = Sexual Orientation
GI = Gender Identity

Standard Points Total	63
Bonus Points Total	4
Total Raw Score	67
Final Score	67

CONFIDENTIAL DRAFT - NOT FOR PUBLICATION - CONFIDENTIAL DRAFT



2018 MEI Scorecard - City, State

	Max Pts. (SO/GI)	State		County		Municipal		Earned Pts.
Part I. Non-Discrimination Laws		SO	GI	SO	GI	SO	GI	
A. Employment	10 (5/5)	0	0	0	0	0	0	0
B. Housing	10 (5/5)	0	0	0	0	0	0	0
C. Public Accommodations	10 (5/5)	0	0	0	0	0	0	0
Bonus: All-Gender Single Occupancy Facilities	2	0		0		0		0
Bonus: Protects Youth From Conversion Therapy	2	0		0		0		
	30 (15/15)	Part I. Standard Points						0
	4	Part I. Bonus Points						0

Part II. Municipality As Employer				SO	GI
A. Non-Discrimination in City Employment	14 (7/7)		0	0	0
B. Trans-Inclusive Healthcare Benefits	6		0		0
C. City Contractor Non-Discrimination Ordinance	6 (3/3)		0	0	0
D. Inclusive Workplace	2		0		0
BONUS: City Employee Domestic Partner Benefits	1		0		0
	28	Part II. Standard Points			0
	1	Part II. Bonus Points			0

Part III. Municipal Services		SO	GI	SO	GI	SO	GI	
A. Human Rights Commission	5			0		0	0	
B. Enforcement Mechanism in Human Rights Commission	2		0		0	0		
B. LGBTQ Liaison in City Executive's Office	5				0	0		
Bonus: Youth Bullying Prevention Policy for City Services	2 (1/1)				0	0	0	
BONUS: City Provides Services to LGBTQ Youth	2				0		0	
BONUS: City Provides Services to LGBTQ Homeless	2				0		0	
BONUS: City Provides Services to LGBTQ Elders	2				0		0	
BONUS: City Provides Services to People Living With HIV or AIDS	2				0		0	
BONUS: City Provides Services to the Transgender Community	2				0		0	
	12	Part III. Standard Points						0
	12	Part III. Bonus Points						0

Part IV. Law Enforcement				
A. LGBTQ Police Liaison or Task Force	10		0	0
B. Reported 2016 Hate Crimes Statistics to the FBI	12		0	0
	22	Part IV. Standard Points		0

Part V. Leadership on LGBTQ Equality				
A. Leadership's Public Position on LGBTQ Equality	0-5		0	0
B. Leadership's Pro-Equality Legislative or Policy Efforts	0-3		0	0
BONUS: Openly LGBTQ Elected or Appointed Municipal Leaders	2		0	0
BONUS: City Tests Limits of Restrictive State Law	3		0	0
	8	Part V. Standard Points		0
	5	Part V. Bonus Points		0

Key
SO = Sexual Orientation
GI = Gender Identity

Standard Points Total	0
Bonus Points Total	0
Total Raw Score	0
Final Score	0



2018 MEI STANDARDS FOR CREDIT

The following details what qualifies for credit in each section of the MEI scorecard. Please note that this year's scorecard includes a number of revisions and new categories, as detailed in the 2017 MEI.

SECTION I. NON-DISCRIMINATION LAWS

- **Non-Discrimination in Private Employment, Housing, and Public Accommodations** (Up to 30 points). This category evaluates whether a city has an *enforceable* non-discrimination ordinance that *expressly* covers sexual orientation and gender identity and applies to private employment, housing, and public accommodations citywide. In each category (private employment, housing, and public accommodations), cities receive 5 points for explicitly prohibiting discrimination on the basis of sexual orientation and 5 points for expressly prohibiting discrimination on the basis of gender identity. A 3-point deduction is applied for protections that contain carve-outs prohibiting individuals from using facilities consistent with their gender identity. Up to six points will be deducted for religious exemptions that single out sexual orientation and/or gender identity.
 - **Required Documentation:** Copy of relevant municipal code provision(s).
- **BONUS: All-Gender Single-Occupancy Facilities** (2 bonus points). Cities that require all single-user sex-segregated facilities within the city like bathrooms and changing rooms to be all-gender will receive two bonus points. Cities that designate all single-occupancy facilities within its own buildings as all-gender will receive half credit. For more information on the importance of equal access to single-occupancy facilities, see our issue brief entitled *Equal Access to Sex-Segregated Facilities* [here](#) or at www.hrc.org/mei.
 - **Required Documentation:** Copy of relevant municipal code provision(s).
- **BONUS: Protects Youth from Conversion Therapy** (2 bonus points). Cities that enact laws to protect youth from the harmful and discredited practice of so-called “conversion therapy”—any effort to change an individual’s sexual orientation or gender identity—will garner two bonus points. To learn more about this dangerous practice, see our issue brief entitled *Protecting Youth from Harmful “Conversion Therapy”* [here](#) or at www.hrc.org/mei.
 - **Required Documentation:** Copy of relevant municipal code provision(s).

SECTION II. MUNICIPALITY AS EMPLOYER

- **Non-Discrimination in City Employment** (7 points for sexual orientation/7 points for gender identity). Whereas Section I assesses private employment citywide, this section evaluates non-discrimination protections for *city* employees (public employment). To qualify for credit, the city must have an enforceable non-discrimination ordinance or policy that *expressly* applies to all municipal employees and *explicitly* includes sexual orientation and gender identity.
 - **Required Documentation:** Copy of relevant municipal code provision(s) or city equal employment opportunity policy.
- **Transgender-Inclusive Healthcare Benefits** (6 points). To obtain credit in this category, the city must offer at least one municipal employee health insurance plan that *expressly* covers transgender healthcare needs, including gender-affirming procedures, hormone therapy, mental health care and other gender-affirming



2018 MEI STANDARDS FOR CREDIT

care. The lack of express exclusions for these services is not sufficient for credit because this care is routinely not covered. For more information on extending transgender-inclusive healthcare benefits to city employees, read our issue brief [here](#) or at www.hrc.org/mei.

- **Required Documentation:** Copy of city employee health insurance plan benefits booklet.
- **City Contractor Non-Discrimination Ordinance or Policy** (3 points for sexual orientation/3 points for gender identity). This refers to a city law or policy that requires all businesses the city contracts with for goods or services to have an employee non-discrimination policy that *expressly* covers sexual orientation and gender identity. Partial credit may be awarded in instances where the city has no qualifying ordinance or policy but consistently includes a contractor non-discrimination provision in all contracts with businesses, or when a city gives a bidding preference to businesses with a qualifying employee non-discrimination policy.
 - **Required Documentation:** Copy of relevant municipal code provision(s) or city policy.
- **Inclusive Workplace** (2 points). This section assesses whether a municipality has LGBTQ-specific programming to attract LGBTQ applicants and promote diversity in the workplace. Cities will receive credit if they have any one of the following: an LGBTQ employee pride alliance or resource group, LGBTQ-inclusive diversity training for *all* city staff, *or* a recruitment program that actively advertises available positions to the LGBTQ community.
 - **Required Documentation:** Confirmation from city human resources department of an LGBTQ employee pride alliance or resource group; copy of LGBTQ-inclusive all-staff diversity training; *or* documentation of recruitment efforts directed to the LGBTQ community.
- **BONUS: City Employee Domestic Partner Benefits** (1 bonus point). Cities will receive credit for offering equal benefits to both same- and different-sex domestic partners of city employees and their legal dependents. Even after nationwide marriage equality, it is important to respect the diverse family forms that exist by expanding domestic partner benefits to include all families. For more information on this topic, see our issue brief entitled *The Case for Retaining Domestic Partnership Laws and Policies* [here](#) or at www.hrc.org/mei.
 - **Required Documentation:** Copy of relevant municipal code provision(s) or city policy.

SECTION III. MUNICIPAL SERVICES

- **Human Rights Commission** (5 points). Credit is awarded in this section if the city has a community-facing body tasked with eliminating discrimination and educating the public on issues of diversity and inclusion. To these ends, the commission can hold community discussions, screen movies, present panels, take public comment, advise city leaders and develop policies and strategies to make the city more inclusive. The commission must be active and meet regularly.



2018 MEI STANDARDS FOR CREDIT

- **Required Documentation:** Copy of relevant municipal code provision(s) or link to city human rights commission website.
- **Enforcement of Non-Discrimination Ordinance by Human Rights Commission (2 points).** Where, in addition to the functions listed above, a Human Rights Commission has the authority to conciliate, issue a right to sue letter, or otherwise enforce citywide non-discrimination protections, that commission will earn two additional points.
 - **Required Documentation:** Copy of relevant municipal code provision(s) or link to city human rights commission website.
- **LGBTQ Liaison to City Executive (5 points).** To earn credit in this category, the city must have an officially designated liaison to the LGBTQ community who reports to the city executive *and* whose designation as LGBTQ liaison and contact information is posted on the city website. An LGBTQ liaison serves as an accessible and friendly ear to the city's LGBTQ community and elevates LGBTQ-related concerns to the city executive and other city officials. LGBTQ persons who work in the city executive's office do not qualify for credit in this category unless they serve as the official LGBTQ liaison and meet the above criteria. This role may be assigned to existing city staff. Additionally, the LGBTQ liaison to the city executive cannot double for credit as an LGBTQ police liaison (which is rated in Part IV), given the unique function of each of these divisions of city government.
 - **Required Documentation:** A link to the city website displaying the LGBTQ liaison's title and contact information.
- **BONUS: Youth Bullying Prevention Policy for City Services (1 bonus point for sexual orientation/1 bonus point for gender identity).** This category awards cities up to two bonus points for implementing policies that prohibit bullying on the express basis of sexual orientation and gender identity in all youth-facing city facilities and services. These policies should cover, for example, the city's parks and recreation department, library programs, and any other department or service that incorporate young people. For more on this topic, see our issue brief entitled *Inclusive and Innovative Approaches to Citywide Bullying Prevention* [here](http://www.hrc.org/mei) or at www.hrc.org/mei.
 - **Required Documentation:** Copy of relevant municipal code provision(s) or city policy.
- **BONUS: City Provides Services to/Supports LGBTQ Youth (2 bonus points).** Cities should offer services designed to address the unique needs of LGBTQ youth, who often face higher rates of bullying, harassment and rejection after coming out. Cities can earn credit here by (1) directly providing services targeted to LGBTQ youth, (2) funding organizations that provide these services, **OR** (3) providing other meaningful types of support (such as in-kind support, subsidized use of city facilities, etc.) to community organizations that provide services designed for LGBTQ youth. For LGBTQ youth resources, visit <http://www.hrc.org/resources/topic/children-youth>.



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- **Required Documentation:** (1) A record of the city's support for the qualifying service (ex: A copy of the current city budget showing city funding for a community organization that provides the qualifying service) **AND** (2) Documentation of how the service qualifies (ex: A link to the city-supported community organization describing the service that is targeted to LGBTQ youth).
- **BONUS: City Provides Services to/Supports LGBTQ Homeless Individuals** (2 bonus points). LGBTQ individuals – particularly youth – are disproportionately impacted by homelessness. Cities can earn credit in this section by (1) directly providing services targeted to LGBTQ homeless individuals, (2) funding organizations that provide these services, **OR** (3) providing other meaningful types of support (such as in-kind support, subsidized use of city facilities, etc.) to community organizations that provide services or resources targeted to LGBTQ homeless individuals. For more LGBTQ homelessness resources, visit <http://www.hrc.org/resources/lgbt-youth-homelessness>.
- **Required Documentation:** (1) A record of the city's support for the qualifying service (ex: A copy of the current city budget showing city funding for a community organization that provides the qualifying service) **AND** (2) Documentation of how the service qualifies (ex: A link to the city-supported community organization describing the service that is targeted to LGBTQ homeless individuals).
- **BONUS: City Provides Services to/Supports LGBTQ Elders** (2 bonus points). As LGBTQ individuals age, they encounter unique health, social and cultural challenges. Cities can earn credit in this section by (1) directly providing services targeted to LGBTQ elders, (2) funding organizations that provide these services, **OR** (3) providing other meaningful types of support (such as in-kind support, subsidized use of city facilities, etc.) to community organizations that provide services or resources targeted to LGBTQ elders.
- **Required Documentation:** (1) A record of the city's support for the qualifying service (ex: A copy of the current city budget showing city funding for a community organization that provides the qualifying service) **AND** (2) Documentation of how the service qualifies (ex: A link to the city-supported community organization describing the service targeted to LGBTQ elders).
- **BONUS: City Provides Services to/Supports People Living with HIV or AIDS** (2 bonus points). HIV continues to disproportionately impact segments of the LGBTQ community. Cities can earn credit in this section by (1) directly providing services for people living with HIV or AIDS, (2) funding organizations that provide these services, **OR** (3) providing other meaningful types of support (such as in-kind support, subsidized use of city facilities, etc.) to community organizations that provide services or resources targeted to individuals living with HIV or AIDS. For resources on HIV and AIDS, visit <http://www.hrc.org/resources/topic/hiv-aids>.
- **Required Documentation:** (1) A record of the city's support for the qualifying service (ex: A copy of the current city budget showing city funding for a community organization that provides the qualifying service) **AND** (2) Documentation of how the service qualifies (ex: A link to the city-supported community organization describing the service targeted to people living with HIV or AIDS).



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- **BONUS: City Provides Services to/Supports Transgender-Specific Programming** (2 bonus points). Transgender individuals face disproportionate levels of discrimination, stigma and systemic inequality. Cities can earn credit in this section by (1) directly providing services targeted to transgender residents such as employment programs, post-incarceration reentry programs, and violence prevention programs; (2) funding organizations that provide these services; **OR** (3) providing other meaningful types of support (such as in-kind support, subsidized use of city facilities, etc.) to community organizations that provide services or resources targeted to the transgender community. For resources on the transgender community, please visit <http://www.hrc.org/resources/topic/transgender> and review the 2015 MEI issue brief entitled *Anti-Transgender Violence: What Cities Can Do* available [here](#) or at www.hrc.org/mei.
- **Required Documentation:** (1) A record of the city's support for the qualifying service (ex: A copy of the current city budget showing city funding for a community organization that provides the qualifying service) **AND** (2) Documentation of how the service qualifies (ex: A link to the city-supported community organization describing the service that is targeted to transgender residents).

SECTION IV. LAW ENFORCEMENT

- **LGBTQ Police Liaison or Task Force** (10 points). To get credit in this category, the city must have an officially designated liaison from the police department to the LGBTQ community (or a police task force charged with addressing LGBTQ issues) whose designation as LGBTQ liaison and contact information is posted on the police department's website. An LGBTQ police liaison serves as an accessible and friendly ear to the city's LGBTQ community and elevates LGBTQ-related concerns to the police chief and other city officials. LGBTQ police officers, including high-ranking officers, do not qualify for credit in this category unless their service as liaison is part of their official job and the required information is published online. Partial credit will be awarded if the entire police force was recently trained on LGBTQ issues.
- **Required Documentation:** A link to the police department website displaying the LGBTQ police liaison's title and contact information.
- **Reported 2016 Hate Crimes Statistics to the FBI** (12 points). To qualify for points in this section, the city must report hate crimes statistics to the FBI in all categories, including sexual orientation and gender identity, **and** either:
 - Report a positive number of hate crimes in any protected category in 2016 (i.e. report more than "0" for hate crimes reported in any one or more of the protected categories), **OR**
 - Report zero hate crimes in 2016 **AND** have reported a positive number of hate crimes in any one or more of the protected categories some year in the past five years of published reports. This second prong is to recognize that while statistically it is possible that no hate crimes of any kind occurred in a small city one year, it is highly improbable that no hate crimes of any kind occurred in a city in the past five years of a published FBI hate crimes reports.

SECTION V. RELATIONSHIP WITH THE LGBTQ COMMUNITY

- **Leadership's Public Position on LGBTQ Equality** (0-5 points). This section grades, on a sliding scale from zero to five points, how pro-equality the city leadership is in its public statements. City leadership includes the city executive, city council, and other government officials. These statements may include joining a pro-equality association such as Mayors Against LGBT Discrimination, coming out publicly in favor of LGBTQ rights, supporting LGBTQ community organizations publicly, attending a pride parade, speaking out against anti-LGBTQ legislation, partnering with LGBTQ groups to create solutions to city problems, etc. It also includes comments made during city council meetings or at other public events.
 - **Required Documentation:** Links to recent news articles, photographs of city leadership at LGBTQ events, op-eds, Facebook posts, tweets, etc.
- **Leadership's Pro-Equality Legislative or Policy Efforts** (0-3 points). This section grades, on a sliding scale from zero to three points, how actively the city has been pursuing pro-equality legislation and policies. This includes ordinances introduced (whether passed or not), city policies, and pro-equality city council resolutions and proclamations.
 - **Required Documentation:** Links to news articles, copies of ordinances and policies, or a written summary from city officials demonstrating recent pro-equality legislative and policy efforts.
- **BONUS: Openly LGBTQ Elected or Appointed Municipal Officials** (2 bonus points). Appointed or elected city officials who are openly LGBTQ will qualify the city for two bonus points in this category. While the city should seek to employ LGBTQ persons at all levels of government, this criterion specifically addresses city officials who are well-known in the public eye like the mayor, vice mayor, city manager, vice city manager, and members of the city council. A state or federal elected representative from the city does not qualify.
 - **Required Documentation:** Links to relevant news articles, for example.
- **BONUS: City Tests Limits of Restrictive State Law** (3 bonus points). This category only applies to cities located in states with statewide laws that restricts cities' authority to pass LGBTQ-inclusive ordinances. Such cities that take distinct actions to push back against state limits to their ability to pass pro-equality laws will qualify for four bonus points in this section. Cities can advocate against restrictive state law through council resolutions or declarations and engagement with state legislators. For more information on preemption laws, please see the 2016 MEI issue brief entitled *Power Struggles and Preemption* [here](#) or at www.hrc.org/mei.
 - **Required Documentation:** Links to relevant news articles, copies of council resolutions or declarations, summaries of state-level advocacy by city officials, etc.