

**COMBINED SPECIAL MEETING/WORK SESSION AGENDA**

**A M E N D E D**

**COMBINED SPECIAL MEETING/WORK SESSION  
TUESDAY  
DECEMBER 28, 2021**

**COUNCIL CHAMBERS  
211 WEST ASPEN AVENUE  
3:00 P.M.**

All City Council Meetings are live streamed on the city's website  
(<https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings>)

**\*\*\*PUBLIC COMMENT\*\*\***

**Verbal public comments may be given through a virtual public comment platform or in-person**

**If you want to provide a verbal comment during the Council Meeting, use the link below to join the virtual public comment room.**

**VIRTUAL PUBLIC COMMENT WAITING ROOM**

Written comments may be submitted to [publiccomment@flagstaffaz.gov](mailto:publiccomment@flagstaffaz.gov). All comments submitted via email will be considered written comments and will be documented into the record as such.

---

**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 work session, 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 through other technological means.*

MAYOR DEASY  
VICE MAYOR DAGGETT  
COUNCILMEMBER ASLAN  
COUNCILMEMBER MCCARTHY

COUNCILMEMBER SALAS  
COUNCILMEMBER SHIMONI  
COUNCILMEMBER SWEET

3. **Pledge of Allegiance, Mission Statement, and Land Acknowledgement**

**MISSION STATEMENT**

*The mission of the City of Flagstaff is to protect and enhance the quality of life for all.*

**LAND ACKNOWLEDGEMENT**

*The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.*

4. **CITY MANAGER REPORT**

A. **City Manager Report**

**STAFF RECOMMENDED ACTION:**

Information Only

5. **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:** Approve the cooperative purchase contract with National Auto Fleet Group in the amount of \$51,159.06 for a 2022 Ford Transit Cargo Van (RTX) T-250.

**STAFF RECOMMENDED ACTION:**

1. Approve the cooperative purchase contract with National Auto Fleet Group in the amount of \$51,159.06 for a 2022 Ford Transit Cargo Van (RTX) T-250; and
2. Authorize the City Manager to execute the necessary documents.

- B. **Consideration and Approval of Contract:** Approve the Cooperative Purchase Contract of two (2) Bobcat Toolcats in the amount of \$140,230.30 from Clark Equipment Company, utilizing Sourcewell cooperative purchase contract # 040319-CEC.

**STAFF RECOMMENDED ACTION:**

1. Approve the purchase of two (2) Bobcat Toolcats in the amount of \$140,230.30 from Clark Equipment Company, utilizing Sourcewell cooperative purchase contract # 040319-CEC; and
2. Authorize the City Manager to execute the necessary documents.



- C. **Consideration and Approval of Contract:** Approve the Cooperative Purchase Contract for two (2) Hydraulic Grader Snow Wings from Empire Machinery in the amount of \$131,823.44.

**STAFF RECOMMENDED ACTION:**

1. Approve the Cooperative Purchase Contract for two (2) Hydraulic Grader Snow Wings from Empire Machinery in the amount of \$131,823.44, through NIPA City of Tucson contract pricing #161534; and
2. Authorize the City Manager to execute the necessary documents.

6. **ROUTINE ITEMS**

- A. **Consideration and Adoption of Ordinance No. 2021-23:** An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 3 Business Regulations, Chapters 3-10 User Fees, to establish airport parking fees, and amending Title 8 Public Ways and Property, Chapter 8-06, Airport Rules and Regulations, Section 001-8-06-001-0006.3 to provide for enforcement of airport parking and exemptions from parking fees; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date

**STAFF RECOMMENDED ACTION:**

- 1) Read Ordinance No. 2021-23 by title only for the final time
- 2) City Clerk reads Ordinance No. 2021-23 by title only (if approved above)
- 3) Adopt Ordinance No. 2021-23

7. **REGULAR AGENDA**

- A. ~~**Consideration and Adoption of Resolution No. 2021-62:** A resolution approving submission of an application to Arizona State Parks and Trails for a Heritage Fund Trails Grant to make accessibility enhancements at Buffalo Park and the Nate Avery FUTS Trail~~

**STAFF RECOMMENDED ACTION:**

- ~~1) Read Resolution No. 2021-62 by title only~~
- ~~2) City Clerk reads Resolution No. 2021-62 by title only (if approved above)~~
- ~~3) Adopt Resolution No. 2021-62~~

- B. **Consideration and Adoption of Resolution No. 2021-61:** A resolution adopting the City Council 2022 Commemorative Flag Designations

**STAFF RECOMMENDED ACTION:**

- 1) Read Resolution No. 2021-61 by title only
- 2) City Clerk reads Resolution No. 2021-61 by title only (if approved above)
- 3) Adopt Resolution No. 2021-61

8. **Adjournment**

## **WORK SESSION**

### **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 work session, 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. Public Participation**

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

### **3. Flood Project Updates**

#### **STAFF RECOMMENDED ACTION:**

For information only.

### **4. Discussion only of Potential City Council Code of Conduct and Ethics Policy**

#### **STAFF RECOMMENDED ACTION:**

Discussion only.

### **5. Review of Draft Agenda for the January 4, 2022 City Council Meeting**

*Citizens wishing to speak on agenda items not specifically called out by the City Council may submit a speaker card for their items of interest to the recording clerk.*

### **6. Public Participation**

### **7. Informational Items To/From Mayor, Council, and City Manager; future agenda item requests**

8. **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 \_\_\_\_\_, 2021.

\_\_\_\_\_  
Stacy Saltzburg, MMC, City Clerk

## 4. A.

### **CITY OF FLAGSTAFF STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Stacy Fobar, Deputy City Clerk  
**Date:** 12/23/2021  
**Meeting Date:** 12/28/2021



---

#### **TITLE:**

**City Manager Report**

#### **STAFF RECOMMENDED ACTION:**

Information Only

#### **Executive Summary:**

These reports will be included in the City Council packet for regularly scheduled Council meetings, excluding Work Session meetings. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization.

#### **Financial Impact:**

#### **Policy Impact:**

#### **Connection to PBB Key Community Priorities/Objectives & Regional Plan:**

#### **Previous Council Decision on This:**

---

**Attachments:**    City Manager's Report  
                         Economic Vitality Report  
                         Water Services Report  
                         Sustainability Report  
                         Sustainability Report

# **City Manager's Report**

December 23, 2021

Council and Colleagues, Happy Holidays! These reports will be included in the City Council packet for regularly scheduled Council meetings, excluding Work Session meetings. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization. This report will include a draft letter related to the Small Business Grant Program for Council's approval. Other than that item, and the appended monthly reports noted below, this is a relatively short report due to the holiday season. Thank you.

## **Monthly Reports**

Attached to this Report are the November monthly reports for Economic Vitality, Sustainability, and Water Services.

## **Government Finance Officers Association (GFOA)**

The City just received notification that the FY 2021-22 Budget has received the GFOA Budget Award! I believe this is the 28<sup>th</sup> consecutive year! Kudos to Heidi Derryberry, the Finance Team, and the Budget Team for another great achievement.

## **Out of Office**

Council as mentioned previously, I will be out of the office from January 4<sup>th</sup> through January 15<sup>th</sup>, taking holiday with my spouse and celebrating our 37<sup>th</sup> Wedding Anniversary. During this time, Heidi Hansen will be the Acting City Manager.

## **Small Business Grant Program 2.0**

The Flagstaff City Council recently unanimously agreed to offer \$360,000 in ARPA funding to create a second round of a small business grant program. In 2020, a similar small business grant program was created using City funds, as well as funding from NAU and Coconino County. The program was a resounding success in supporting Flagstaff's businesses during the pandemic. City staff, with the support of our elected officials, have been meeting regularly with NAU and Coconino County to encourage a similar partnership and contribution of funds for the second round of the program referred to as the Small Business Grant Program 2.0.

Below is a draft letter from the Flagstaff City Council to the Coconino County Board of Supervisors that will serve as a formal funding request. If the Council grants approval, staff will send the signed letter to the County Board of Supervisors prior to their scheduled January 11<sup>th</sup> discussion on ARPA funds related to economic development and business support.



# CITY OF FLAGSTAFF

## FLAGSTAFF CITY COUNCIL

211 West Aspen Avenue, Flagstaff, Arizona 86001  
Main Line: 928-213-2000  
Website: <https://www.flagstaff.az.gov>

December 28, 2021

Dear Coconino County Board of Supervisors:

The Flagstaff City Council recently approved \$360,000 from the City's approved ARPA funds to go towards the Small Business Grant Program 2.0 and are hoping that the County will join us in this business grant program as you did once before in November 2020. Below is information regarding the previous grant program, how many businesses submitted applications for funding, how many received funding, and much more.

### Background:

In early September of 2020, in the midst of the COVID-19 pandemic, the Downtown Business Alliance (DBA) approached the City of Flagstaff, Coconino County, and Northern Arizona University (NAU) about a possible partnership on grants to help small businesses impacted by the pandemic. It was agreed that all three organizations would offer \$10,000 toward a micro-grant program that was implemented in November 2020.

Below is a summary of the mini-grant program as provided by Terry Madeskza, who helped oversee the program.

- \$30,000 total was contributed by the City of Flagstaff, Coconino County and NAU (\$10,000 from each partner).
- \$30,000 was distributed to small businesses.
- There were 34 applicants.
- There were 24 grant disbursements (some applicants did not meet eligibility criteria or had sufficient operating funds).
- Grant amounts ranged from \$750 - \$3,000.
- Although the DBA administered the program, 100% of the funds received were awarded to small businesses. The DBA did not receive a fee to administer the program.
- Grants were distributed to businesses located throughout the City (and some of the County's contribution went to businesses located in the County).



## CITY OF FLAGSTAFF

### FLAGSTAFF CITY COUNCIL

211 West Aspen Avenue, Flagstaff, Arizona 86001

Main Line: 928-213-2000

Website: <https://www.flagstaff.az.gov>

Since this grant program was such a success, the City of Flagstaff is looking to do another one at a larger scale (we are fondly referring to this as the **Small Business Grant Program 2.0**).

We have created a list of suggestions that can be implemented within the Small Business Grant Program 2.0.

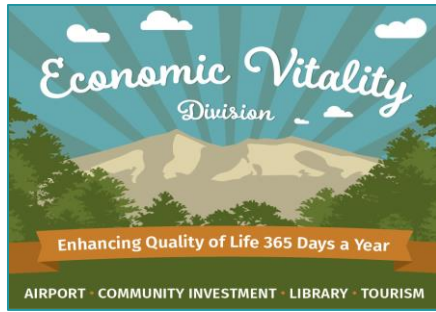
- Include in the grant application ways a business can submit for eligibility besides just being a business in Flagstaff or Coconino County. Ideas included minority-owned, woman-owned, veteran-owned, independently owned, small business (scale the size of businesses), etc.
- Ask the businesses who receive a grant to also donate to a revolving fund for future grants.
- Examine best practices from other cities to help add further detail to the program criteria and look at the feasibility of revolving fund structures, among other things.
- Utilize the Business Services Team business survey to get program information out to businesses and utilize the survey as a resource for identifying needs.
- Share the story of the recipients long after the program ends to help other businesses retain, expand and attract.

It is our understanding that NAU is in the process of obtaining formal permission to again offer \$10,000 to the grant program. NAU is enthusiastic about participating and utilizing their monies to support alumni-owned or run businesses.

We are hoping that Coconino County will match or exceed the City's contribution to the Small Business Grant Program 2.0 so we can continue to help our small businesses that have been impacted by the pandemic and are still in dire need of support.

Sincerely,

That is all for now Council. In late January we will be recognizing work anniversaries for the months of December and January. Thank you and Happy Holidays!



# NOVEMBER

## 2021



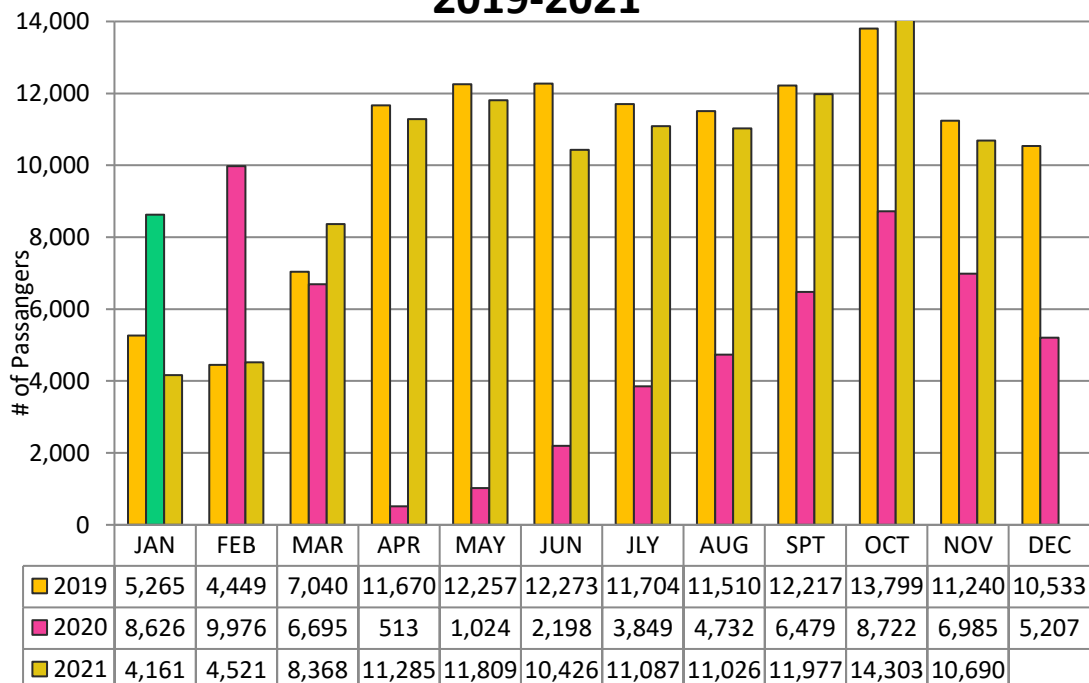
### AIRPORT STATS:

Each month the Flagstaff Airport receives and tracks information on **passenger enplanements, fuel sales, and operations**. This information is presented to the Airport Commission for questions, comments, or further explanations on variations. Each tracking has importance to our airport for the following reasons shared below.

**ENPLANEMENTS** assist in showing growth which is important to an air carrier when looking to add routes, more days, etc.

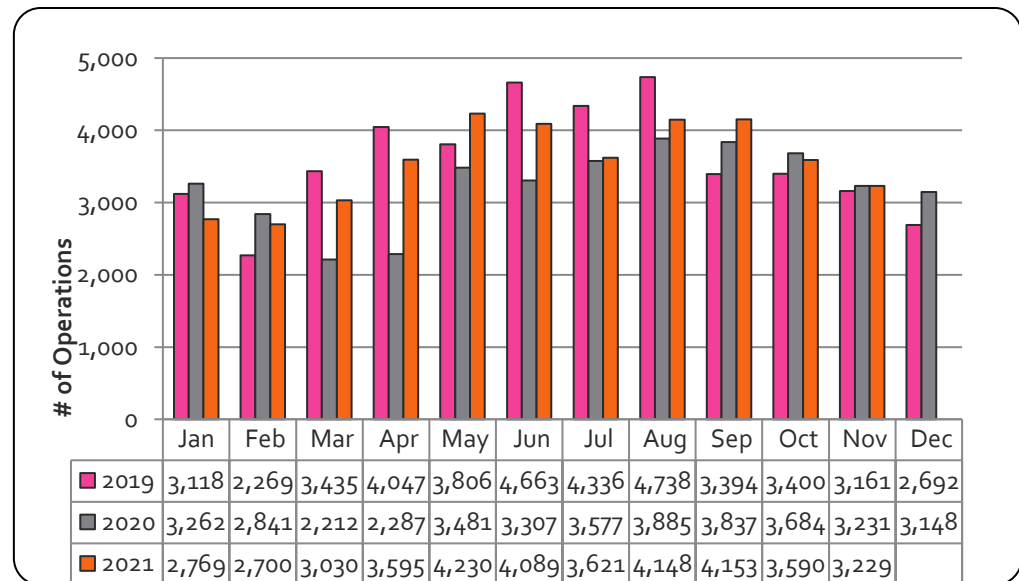
- **10,690 total enplanements for NOVEMBER...great seeing the continual uptick in flying patrons.**
- 11 flights daily - 3 to Denver, 3 to Dallas Fort Worth, and 5 to Phoenix – **Please Fly Flagstaff First!**

### ENPLANEMENTS 2019-2021





**OPERATIONS**, which is either one take-off or one landing, show just how busy the airport is from month to month. **Total was 3,229 which beat 2019 and flat to 2020.**



**AIRPORT MARKETING ONGOING:** Advertisements shared locally in printed publications and outward facing to Denver and Dallas markets.



**FEDERAL AVIATION ADMINISTRATION (FAA):** Phoenix Airport District Office Manager visited the airport this month. He toured the site of the new Snow Removal Equipment Building with concerns about the overall cost. His visit helped him envision the amount of site prep work and what that would cost. The site prep is approximately one third of the overall cost. He will re commend we get a third party estimate for building costs to confirm the overall costs for this project.

**AIRCRAFT RESCUE & FIRE FIGHTING (ARFF) BADGING CEREMONY:** Tanner Caputo, Mathew Beckham, Greg Jay (pictured to the right) finished their ARFF required training and received their badges. YAY!

**MOUNTAIN LION BUS ROUTE DISCUSSION:** Airport Staff sat virtually on the Mountain Line Technical Advisory Committee and their monthly Board Meeting where one of the topics was a possible bus route from downtown Flagstaff to the



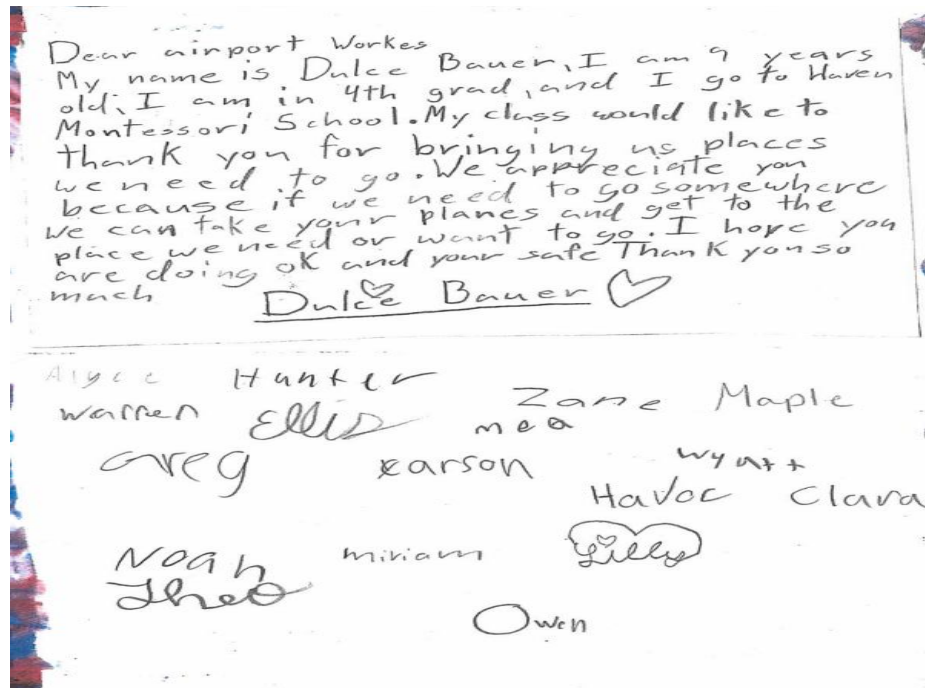
future Northern Arizona Healthcare location and to the airport. There will be ongoing conversation with all parties.

**AIRPORT DRAINAGE STUDY:** The Airport Drainage study kicked off this month. Mead & Hunt, the selected engineering firm, toured drainage channels at the airport and collected documents to help them begin the project. The timeline is with a 12-18-month completion date. This project is grant funded and will assist the airport with planning for future projects.

**AIRPORT PAID PARKING ORDINANCE WORKSESSION:** Staff presented at a November Council Worksession to share more about the second parking lot being constructed at the airport will provide the airport and our patrons. Staff also began preparing to go before Council in December on 12/7 and 12/28 to have the first and second reads of the paid parking rates and overall program.

#### **AIRPORT THANK YOU!!!:**

A group of students from Montessori School came to the airport this month. They enjoyed what they learned and sent a follow up thank you.



## **PARKFLAG:**

### **Enforcement Update:**

ParkFlag completed the implementation of automatic citation escalations in our enforcement software. This new component automatically issues the correct "Failure-to Pay the Meter" citation using all information including warnings and voids. It will help ease the process of issuing citations and removes the chance for human error that could sometimes occur.

## Operational Update:

**DT EMPLOYEE PERMIT OUTREACH:** ParkFlag is currently working with Passport, our back-office software company, to change wording in the customer portal. The new wording will introduce the idea of "How to be a VIP Commuter." Downtown employees will be able to purchase their Employee Permit online and fill out an application for a free ECO pass. This gives employees the option to drive and park when needed or take the bus which is always encouraged. *This program is in collaboration with Mountain Lion Marketing, Downtown Business Alliance, and the City of Flagstaff.*

**MUNICIPAL COURT SITE KIOSK:** ParkFlag team members installed a pay-station kiosk at the new parking lot located on the old Municipal Court site. We are waiting for sign installations before we enforce, but the lot is ready for parking!!!

**ADA ASSISTANCE:** ParkFlag met with code enforcement to discuss the safety issues caused by lack of lighting in the ADA lot located on N. Leroux St. After the discussion, staff decided to ensure that all lights are operational before moving forward with the consideration of new lighting. Any decisions made will be Dark Sky compliant. More to come!



## Community Update:

### RESIDENT ASSISTANCE:

- ParkFlag, in cooperation with traffic engineering, painted a red curb on N. Verde. This newly painted red curb will deter parkers from blocking access to a front walk/sidewalk at the residence located on Verde. This came as a request from traffic engineering and the resident.
- Engineering and Park Flag walked and measured the area and agreed the red curb would not affect the available parking in the Residence Zone. It also provided excellent customer service by filling the need for our resident.



**TREE CARE:** ParkFlag, in cooperation with Beatification Arts and Sciences, has recruited the help of a local high school student to water the trees located on Aspen and in Heritage Square. The volunteer opportunity is fulfilling community service hour needs for her Economics Class at Coconino High School and is helping with the beatification of Downtown Flagstaff.

## BEAUTIFICATION AND ARTS & SCIENCE:

**COMPLETED PROJECTS: BONITO STREET GARDEN, HOLIDAY DECORATIONS, TRAFFIC SIGNAL CABINET WRAPS**

---



**HOLIDAY DECORATIONS:** Beautification-sponsored Holiday elements are installed for the season, including the large lit ornament at the Fourth Street Gateway, a large ribbon piece that lights up outside the Mall, 30 wreaths downtown with twinkling lights, and over 20 lit small spruce trees downtown and on the Southside! Beautification brings cheer in partnership with Parks, Discover Flagstaff, and the Downtown Business Alliance.

**BONITO STREET COMMUNITY GARDEN IMPROVEMENTS:** [TerraBirds](#), a local youth education group, received one of our [Beautification in Action](#) grants this year. These mini grants are for community-led initiatives up to \$4500.

Recent TerraBirds activities at the garden include a new sign painted by Robert Chambers (right photo below), removing a huge invasive Siberian elm tree, fixing the shed that was in derelict condition – the side facing the street will become an educational mural, purchasing locally-milled logs to create garden terraces, planting native perennials, and Tuesday morning educational programming with Killip Elementary kids.



**TRAFFIC SIGNAL/UTILITY BOX ART WRAPS:** Artwork by Dana Kamberg inspired by the history of African American lumberjacks in Flagstaff (see below, left) was installed at Butler and Beaver. Local artist and high school teacher Kayley Quick's art now graces the corner of Market Place and Mall Way! Kayley incorporated the mountain lion as a symbol of strength and resiliency, given the hard year we have faced globally. See image below, right. Real mountain lions have been spotted near this area as well, such as from nearby hiking trails.



## PROJECT UPDATES

---

- **Airport Parking Lot Art:** The title of the artwork, *Coconino Scroll*, and a narrative description were created. The project will be presented to Council as a discussion item in December.
- **Downtown Connection Center Artwork:** Interviews were conducted for the architect of record and the team created a schedule for art glass integration to the new Connection Center building. Materials were submitted for the Planning and Zoning Commission meeting on November 24.
- **Flower Project:** A revised scope was completed and sent to the vendor for an updated estimate. The contract for 2022 will be presented to Council in January.
- **Library Entry:** On-site review with upper management of two final color schemes for book sculptures. Design team met to address all outstanding details for City Plan Review submittal for the project. Staff presented project art updates to BPAC. Construction documents were submitted for plan review.
- **Lone Tree Aesthetics:** Met with city consultants on inclusion of public art process in their design work focusing on community input, review by BPAC, and potentially adding a public artist to the design team as a sub to one of the consultants. A community survey was drafted for team input to be posted on Community Forum. The goal of the survey is to tap into community feelings and hopes about this location.
- **Route 66 Monuments:** IDS reviewed the plan submittal for the monuments and approved it. The contractor is starting on construction documents for review and approval by the City.

## PROGRAMS & OUTREACH:

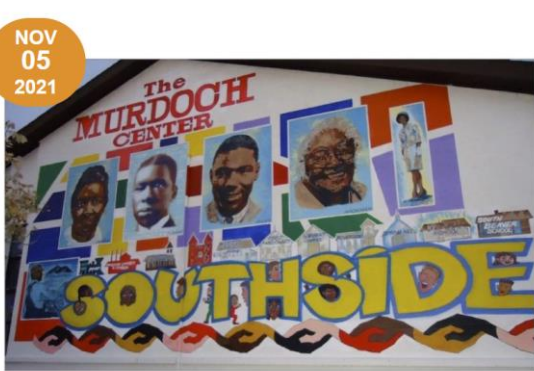
---

- **Beautification in Action Grants:** Staff met with Michael Moore Native Medicinal Plant Garden volunteers to discuss ideas for the March deadline. The grant guideline packet was updated. Staff also met with the Rotary Club about their application approved by BPAC with final design approval by BPAC.
- **Creative Flagstaff Grant Committee Meeting:** Staff attended grant committee meetings to learn more about the micro grants for their new technical resources center and to determine direction for some of next year's grants.
- **Memorial Discussion:** Staff met with Councilmember Shimoni to provide information and background on successful memorial projects as per his request. The community is considering at least one memorial the Councilmember is interested in and that our programs may assist at some point.
- **Murdoch Center Mural Unveiling:** Staff attended an event to celebrate new murals on the Center funded largely through City Bed, Board and Beverage tax funds.
- **National Art Map through the Western States Arts Federation (WESTAF):** Staff began compiling information to share some of our flagship public art projects through a national digital art map offered by WESTAF. This will eventually replace the need for a digital City art map (while keeping our printed and online pdf Flagstaff-specific art map that is updated about every 5 years).

## HIGHLIGHTED ACTIVITY FROM A LOCAL NONPROFIT SUPPORTED BY BBB TAX FUNDS:

---

Friday, November 5, the Murdoch Center hosted a mural unveiling as part of First Friday Art Walk! Event is from 6:00 – 8:00 p.m. The mural restoration and new murals were primarily funded by the City Beautification, Arts and Sciences Program. For more information, visit [here](#).



NOV  
05  
2021

The MURDOCH  
CENTER

SOUTHSIDE

Join the Southside  
Community Association at  
the Murdoch Center on  
Friday, November 5 for our  
First Friday Art Walk and  
Cleo Murdoch Murals  
Unveiling!

The Murdoch Community Center



## **ECONOMIC DEVELOPMENT:** (Business Attraction, Retention & Expansion)

### **BUSINESS ATTRACTION:**

#### **ATTRACTION EFFORTS:**

- *UACJ Whitehall Industries* – Continues to grow their team and make additional improvements to the former Walgreens location. They are continuing to ship products to their partners and are receiving additional machinery to ramp up production. Whitehall has requested City staff to begin looking for additional space as they already foresee an expansion on the horizon.
- *Pipe Trades Association* – Staff hosted a site tour with Pipes Trade Association last month and exposed them to several potential locations. This association hopes to sign a lease soon in Flagstaff. This organization helps develop skills in a variety of trades including welding, machining, etc. They will help supply additional skilled professionals for the construction industry to assist with the numerous large development projects on the horizon.
- *To Be Announced (Soon!)* – ECoNA, NAU, and the City have been holding discussions with a large sports-based organization. The hope is that this organization will provide an additional attraction-based opportunity for our residents and tourists. This client has requested a certain level of confidentiality, but we hope to provide additional information in the very near future.
- *To Be Announced (Soon!)* – Staff coordinated a pre-application meeting with the Community Development Division for a new business that is interested to break into the Flagstaff market. This new business will hopefully take the place of the long vacant property in front of the westside Safeway, which was formerly a Giant Gas Station. The pre-application meeting was described as very helpful by the participants, and they look forward to arriving in Flagstaff.
- *To Be Announced (Mid-Term)* – Staff has been working with a franchise owner to bring a new business to Flagstaff. The franchisee has stated interest in the former Sizzler building on the east side of town. This deal has not been finalized and unfortunately this is all I can share with you all at this time. Stay tuned!

**AIRPORT 31.45 ACRE PARCEL:** The Airport 31.45-acre master development process is continuing to progress. Staff has been meeting with Genterra regularly for the past several months, negotiating a ground lease agreement. This ground lease will outline many important aspects of this parcel's development and will also include the revenue structure that will ultimately benefit and support our growing airport. A Discussion related to this ground lease agreement is currently scheduled for the Dec. 28<sup>th</sup> Council meeting with a potential vote to follow on Jan. 4<sup>th</sup>.

#### **OTHER ATTRACTION HIGHLIGHTS:**

- The Economic Development Team conducted a 'Year in Review' presentation for Council at the end of November. This presentation covered a variety of topics, updates, and successes related to economic development. To view the presentation please click [here](#).
- Staff has been meeting with Placer.AI regularly over the past month to learn how to take advantage of all their software's capabilities. Placer.AI is taking the place of Buxton which was the City's former consumer data tracking software. This new software also appears to have potential to assist our regional planning efforts and staff is exploring this opportunity.
- ECoNA and the City plan to attend the ICSC conference at the beginning of December. ICSC will be an excellent conference to gain additional retail, restaurant, and hospitality-based leads to help attract these types of businesses to our community.
- TWO HANDS – Is a new restaurant that has a fun take on the classic corn dog. They are expected to open at Aspen Sawmill by the end of this year and I can tell you from my own experience this will be something you have to try!
- A complete list of all the ongoing and scheduled development in Flagstaff can be found [here](#). This Development Status Report was updated this August by our Community Development Division.

## **BUSINESS RETENTION & EXPANSION:**

### **MARKETING:**

---

**BUSINESS FACILITIES MAGAZINE:** BR&E Manager and Business Attraction Manager continue to collaborate to tell the stories of business opportunities of Flagstaff to help businesses grow or to locate and grow in this community. Kinney Construction Services recently posted one of the Business Facilities Magazine articles on their own website which was an encouraging sign in response to our marketing efforts.



### **PROJECT UPDATES:**

---

**ECoNA BR&E TEAM:** The ECoNA BR&E Team is scheduled to hold a year in review meeting to discuss the highs and lows of 2021 and to chart a course through 2022.

**WEBSITE CONTRACT:** The recent request for programmatic approaches for maintenance of the ChooseFlagstaff.com website produced zero responses. Staff will need to look at budgets as the feedback received so far indicates that typical monthly rates for such services exceed our budget.

### **PROGRAM UPDATES:**

---

**BUSINESS RETENTION AND EXPANSION INCENTIVE:** Contracts have been sent to Katalyst Space Technologies and Dark Sky Brewing both businesses having successfully applied to the program and will be awarded through the Business Retention and Expansion Incentive program.

**ADAPTIVE REUSE PROGRAM:** Staff consulted with a resident who is starting a business and who is interested in learning about city programs. Receipt of their application will bring the total number of businesses served by the program to four Flagstaff businesses.



### **LIBRARY MONTHLY STATS: From OCTOBER and NOVEMBER 2021...**

**VALUE OF USING THE LIBRARY:** Our new Integrated Library System (ILS) enables us to run a report calculating the value of the library to our patrons each month. The report totals the retail cost of each item any patron checked out.

	October	November	Difference
Unique Borrowers	4,059	3,774	-7.0%
Total Circulation	27,534	25,586	-7.1%
Reference Help	2,921	2,868	-1.8%
Door Count	15,975	14,151	-11.4%
Computer Sessions	1,938	1,740	-10.2%

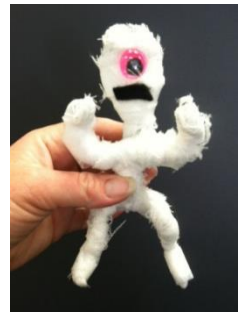
Here are the November values:

- Main Library: \$308,926
- East Flagstaff Community Library: \$133,673

**E-MATERIALS DIVERSITY AUDIT:** Overdrive, one of our e-materials vendors conducted a diversity audit of our collection. This report highlighted how we are doing it providing diverse e-books and e-audiobooks for our patrons. It also included purchasing lists we could use to focus our spending to better our collection. Staff is doing targeted ordering of titles that are not currently in our collection, based on audit results and material reviews.

**ARPA STEAM FOR ARIZONA LIBRARIES:** The Reference Department applied for and was awarded seven STEAM kits from the Arizona State Library to use for patron checkout and library programs. The kits include: Keva Blocks, Media Studio Production, Microscope, Smartphone Document Camera Stand/Microscope, Snap Circuits, Turing Tumble, and Travel Telescope.

**EAST FLAGSTAFF COMMUNITY LIBRARY (EFCL) ACTIVITIES:** We gave out 44 Halloween BINGO cards to kids and teens, which they exchanged completed for a bag of treats! We also gave out 50 activity kits to create wire mummies. A regular patron and local teacher, Therese, picked up a few Activity Kits to do with her students. She put an entire lesson together on mummies then had her students make them. The kids loved it!



**EAST FLAGSTAFF COMMUNITY LIBRARY (EFCL) BOYS & GIRLS CLUB OUTREACH:** Staff visited the Boys & Girls Club for outreach Storytime to 35 mixed-aged kiddos. It was a fun event!

**EAST FLAGSTAFF COMMUNITY LIBRARY (EFCL) TOUR:** A group of middle-school students from MEMS visited our library. They left us the following review on Google: "Big thanks to Shay and the staff at the East Flag Community Library for hosting the English language learners from Mt. Elden Middle School. Lots of new kids now know how to use all the great library resources!" The class also brought Shea some pretty awesome thank you cards.

**EAST FLAGSTAFF COMMUNITY LIBRARY (EFCL) HUMANITIES PROGRAM FOR NATIVE AMERICAN HERITAGE MONTH:** Staff hosted a virtual talk by Nanibaa Beck through the Arizona Humanities on Metalsmith Matriarchs. We had 13 participants learn history of how female Indigenous Metalsmith Artists have shaped the form.



**TOURISM &  
VISITOR SERVICES**

#### **LODGING METRICS:**

The metrics were beyond **STRONG!** Up in Occupancy, ADR, and REVPAR for **NOVEMBER 2021 – WELL DONE!**



In November, Flagstaff continued to shine as a destination that folks want to explore, and this demand has kept the tourism economy strong in our amazing mountain town.

The accommodations industry in Flagstaff took a strong stance on rate again for the month of November but this did not affect occupancy to the degree in which it was down, in fact, both Occ and ADR were strong. This tells a story of very high demand for Flagstaff.

November	2019	2020	2021	Diff
OCC	60.9%	60.5%	70.0%	+15.7%
ADR	\$91.05	\$86.39	\$110.58	+28.0%
RevPAR	\$55.46	\$52.31	\$77.45	+48.1%

## VISITOR SERVICES:

- **WALK-INS** still down
- **RETAIL** is up by 36%!!!
- **MODEL TRAIN:** Model Train ran 169 times in the month of October.

### Visitor Center –November 2021

November	2019	2020	2021	+/- 2020	+/- 2019
Walk-ins	8,477	5,284	7,310	38%	-14%
Retail Sales	\$18,391	14,811	\$25,033	69%	36%

## MEETINGS/EVENTS/CONFERENCES:

**CONFERENCE/ROOMS LEADS/BOOKINGS:** 1 Lead was sent out in the month of November for a total of 165 room nights and total estimated economic impact of \$41,085.

**CLIENT EVENT:** Staff co-hosted a client event in Phoenix with several Arizona CVB's (Tucson, Scottsdale, Phoenix and Mesa) to showcase our cities and services that the CVB's can offer to Arizona Meeting Planners.

**ARIZONA SOCIETY OF ASSOCIATION EXECUTIVES (AzSAE):** Staff presented on a CVB Panel at the annual leadership forum. The panel included a presentation and Q & A discussion on meetings looking forward and partnership opportunities between CVB's, Planners and Hotel properties.



## TRAVEL TRADE:

### MEETINGS/EVENTS:

- **IPW TRADE MEETING:** Follow-up performed to 75 travel companies we previously met with in Vegas.

- Sister Cities Survey eblast
- Webinars: Brand USA Updates, US Travel; Arizona Office of Tourism
- Brand USA Travel Week – 33 appointments with European travel companies
- London Client Luncheon

## MARKETING & MEDIA:

- Visit USA Germany newsletter content
- AlliedTPro Travel Ad creation
- Visit USA France 2022 Travel Planner Ad completed (attached)
- Vacations & Travel Australia Ad/Editorial content started
- Visit USA Parks 2022 campaign – initial strategy discussion
- Content submitted for Visit USA UK ½ page Ad
- USA-Reisen Travel Germany – podcast script completed

## MARKETING & MEDIA RELATIONS:

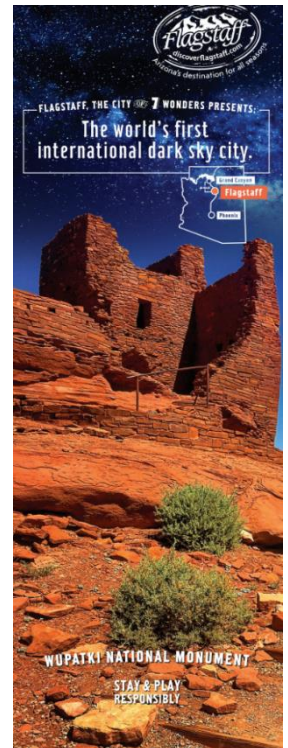
### MARKETING & MEDIA RELATIONS: (45 print articles and 349 digital articles.)

November showcased increases across all platforms and resulted in a 1100% increase in Advertising Value Equivalent (AVE) compared to 2019 and a 350% increase in REACH compared to 2019

- Print (circ: 800k/value: \$8k)
- Broadcast (reach: 14.5m/value: \$134K)
- Digital (reach: 2.4b/value: \$22m) International Coverage (circ. 640m/value: \$5.9M)

Here were some featured highlights:

- Lowell Observatory re-opening and live streaming events
- Arizona Snowbowl opening/delay/re-opening
- Several articles published by hosted travel writers as well as Flagstaff holiday activities
- Teresa Otto, Julie Diebolt Price, Tim Leffel and El Imparcial published articles as a direct result of Discover Flagstaff efforts and on-going press contact with writer, Roger Naylor, positioned Flagstaff in Arizona Republic and Yahoo stories about holiday lights
- Broadcast coverage focused on Arizona Snowbowl skiers and snowboarders and the Travel Channel continues to run Most Terrifying Places highlighting Hotel Monte Vista
- Flagstaff's public art murals received attention with state and Mexico press
- Lowell observatory was particularly pleased with their live stream covering the lunar eclipse garnering attention of more than 85,000 viewers on their YouTube channel and Forbes coverage valued at \$65,000 with a reach of 637,000
- Discover Flagstaff procured 12 stories and had five media assists
- Print (circ: 800k/value: \$8k)
- Broadcast (reach: 14.5m/value: \$134K)
- Digital (reach: 2.4b/value: \$22m) International Coverage (circ. 640m/value: \$5.9M)



Please enjoy the article mentions below:

Skip the Snobby Slopes. Check Out These Under-the-Radar Ski Destinations Instead:

<https://www.fodors.com/news/photos/skip-the-snobby-slopes-check-out-these-under-the-radar-ski-destinations-instead>

New murals celebrate Flagstaff's Black, Latino and Indigenous pioneers and heritage:

<https://www.azcentral.com/story/news/local/arizona/2021/11/04/new-murals-celebrate-flagstaffs-black-latino-and-indigenous-heritage/6271138001/>

Classic Hotels & Resorts – Unique amenities, iconic destinations: <https://businessviewmagazine.com/classic-hotels-resorts-unique-amenities-iconic-destinations/>

5 Quaint Arizona Towns That Could Star In A Hallmark Christmas Movie: <https://www.travelawaits.com/2702877/arizona-hallmark-christmas-movie-towns/>

¿Buscas un lugar con murales impresionantes? Échale un ojo a Flagstaff (El Imparcial hosted):

<https://www.elimparcial.com/sonora/arizona/Buscas-un-lugar-con-murales-impresionantes-Echale-un-ojo-a-Flagstaff-20211111-0038.html>

13 Unique Things to Do In Flagstaff, Arizona In Every Season (Teresa Otto hosted):

<https://www.travelawaits.com/2707212/things-to-do-in-flagstaff-every-season/>

Shine on! Here are Arizona's best Christmas lights displays and holiday events for 2021 (Roger Naylor):

<https://news.yahoo.com/shine-arizonas-best-christmas-lights-130114766.html>

5 Reasons Flagstaff, Arizona Is Perfect for Stargazing (Julie Diebolt Price hosted):

<https://www.travelawaits.com/2708076/flagstaff-reasons-its-perfect-for-stargazing/>

Blood Moon Eclipse 2021 YouTube Live Stream Links: Five Places to Watch The Longest Partial Lunar Eclipse This Century:

<https://www.forbes.com/sites/jamiecartereurope/2021/11/16/blood-moon-eclipse-2021-live-streams-five-places-to-watch-the-longest-lunar-eclipse-this-century-on-youtube/>

Motel Du Beau – Retro Cool in Historic Flagstaff AZ (Tim Leffel hosted): <https://www.hotel-scoop.com/motel-du-beau-flagstaff/>

8 Fantastic Restaurants to Try In Flagstaff, Arizona (Julie Diebolt Price hosted): <https://www.travelawaits.com/2710687/best-flagstaff-restaurants/>



#### 7 OF 18 Arizona Snowbowl

WHERE: Flagstaff, Arizona

Skiing? In Arizona? Yes, and Arizona Snowbowl is actually deeper than most people initially think, its 2,300-foot vertical drop is actually higher than many other comparable, popular U.S. ski resorts such as Alta, Brighton, Solitude, Durango, Brian Head, Eagle Point, or Wolf Creek. Nearby, the relaxed mountain town of Flagstaff hosts numerous friendly bars and restaurants.


**Forbes**

Nov 16, 2021, 10:00am EST | 38,280 views

### Blood Moon Eclipse 2021 YouTube Live Stream Links: Five Places To Watch The Longest Partial Lunar Eclipse This Century

**Jamie Carter** Senior Contributor @ Science [Follow](#)

[Listen to article](#) 5 minutes



A Partial Eclipse of the moon begins on May 16, 2021 in Auckland, New Zealand. It is the first total... (1) 4077 WAG21

**UPDATE: The partial lunar eclipse has happened! Here are some spectacular photos of a 9-1% eclipsed Moon from around the world and here's when the next "Blood Moon" lunar eclipses are.**

An eclipse of the Moon on Friday morning will see our natural satellite turn a red or copper color for a few hours as seen from North America, South America, Australia and East Asia. Here's a reliable YouTube livestream—with plenty of other options below.

**HotelScoop**

What are you looking for?

HOME ABOUT HOTEL SCOOP CONTACT TAGS DISCLOSURE AND

### Motel Du Beau – Retro Cool in Historic Flagstaff AZ

If you are driving toward downtown Flagstaff, Arizona and are trying to find Motel Du Beau, it might be easier if you're in a convertible. Then you can just look up. Their massive neon sign was meant to be seen from far and wide when the place opened in 1929.



Back then, automobiles were still a luxury item and roadside motels were just starting to pop up. Canadian founder Albert E. Du Beau wanted to cater to the discerning members of this clientele, so he opened a motel with covered parking, tile bathrooms, carpeting, and double beds. All swanky offerings at the time.

ACTIVITIES & INTERESTS TYPES OF TRAVEL NEEDS & TIPS INSPIRE RETIRE [BOOK A TRIP](#)

DESTINATIONS > UNITED STATES > **ARIZONA**

### 5 Reasons Flagstaff, Arizona Is Perfect For Stargazing

**JULIE DIEBOLT PRICE**



Flagstaff, Arizona, is perfect for stargazing because of its mountain landscape, good weather, and citizens' guardianship of the environment. At 7,000 feet elevation, Flagstaff enjoys four seasons and is in the world's largest contiguous ponderosa pine forest.

**MO: POPU STOR**

## WEBSITE:

### Analytics compare 2021 to pre-COVID 2019:

- Analytics supporting the usually reported subjects -- sessions, page views -- were down when compared to both 2019 and 2020. Largely, the month's strengths resulted from landing page content performance –
  - Things to Do increased 44%,
  - Winter events/holidays increased 65%
  - Plan Your Trip increased 83%
  - 200 opt-ins for e-communication.
- As a result of a drop-in sessions and page views, an adjustment has been made for December's and January's digital strategies which include optimizing campaigns for website traffic but continuing to embrace attribution. This includes more bidding for CLICKS versus bidding for IMPRESSIONS, run more toward Google PPC, and added retargeting audiences.

## EMAIL CAMPAIGN:

Email campaign benchmarks are set at 17% open rate and 3% Click Thru Rate (CTR) by trustworthy sources such as Mail Chimp and Campaign Monitor. The Flagstaff Local email campaign will reach its year anniversary in February 2022, and then begin reporting on Year over Year (YOY) comparisons.

The November email drip was sent to our master list of 18,441 contacts with a focus on upcoming winter happenings and events. YoY comparison are as follows:

#### November 2020

- Dining
  - Reach 112
  - Open 52%
  - CTR 13%
- Overnights
  - Reach 466
  - Open 46%
  - CTR 12%
- Outdoors
  - Reach 367
  - Open 37%
  - CTR 8%

#### ■ November 2021

- Reach 18,441
- Open 33%
- CTR 1%

#### ■ Month over Month (MoM) Comparison to October 2021

- Compared to October, there was a 43% increase in open rate and click-through rate stayed flat. Hoping that adding more links to click on will help improve click-through with the new algorithm.

- **The Flagstaff Local e-newsletter** continues to perform strongly with people continuously scrolling to the bottom of the newsletter, with the click-through rate to prove it. The open rate improved MoM, as did the CTR. A send-time of 9:00 am is performing the strongest over any other launch time for this email campaign. Content focused on Winter donations

- November 2021
  - Open rate 40%
  - Click-through rate 2%
    - MoM Comparison to October 2021
      - Open rate 28%
      - CTR 1%
- MoM 42% increase to open rate and 100% increase to CTR
  - CTR increased due to adding more links to the email to generate higher click-through after the new algorithm decreased overall CTR.

## SOCIAL MEDIA:

Analytics compare 2021 to 2020 and pre-COVID 2019 (Looking at Month over Month (MOM) rather than Year over Year (YOY):

- Facebook has declined in monthly likes for 2021 in comparison to both 20 and 19. "As of the end of 2020, organic reach is still on the decline. The average reach for an organic Facebook post is down to 5.2%. Meanwhile, the average engagement rate in 2020 for an organic Facebook post was 0.25%." <https://blog.hootsuite.com/facebook-algorithm/>
- YouTube has shown growth from 2020 at 145% but not from 2019 at -80%.
- Instagram has shown growth from 2020 at 94% but not from 2019 at -50%.
- Twitter impressions are down 89% from 20 and 82% from 2019
- Flagstaff 365 Page views have grown by 81% and the Discover Flagstaff Events page has grown by 225% since 2020. When compared to 2019 the page views are down by 31% and the events page has grown by 144%.

Discover Flagstaff  
November 24 · 🌐

Today was opening day at Arizona Snowbowl. It's the official start of the 2021-2022 winter season. The Arizona Gondola is now open from 9am - 4pm offering access to expert terrain only.  
#StayPlayandHolidayResponsibly

Get more likes, comments and shares  
When you boost this post, you'll show it to more people.

20,405  
People reached

1,533  
Engagements

Boost post

13 Comments 44 Shares

Flagstaff Local  
6d · 🌐

'Tis the season to pay it forward! After Black Friday shopping, use some of those savings for a gift that keeps on giving! Create #YourGivingAdventBox with us. It's EASY!  
On December 21st, drop off Your Giving Advent Box at @FlagstaffFamilyFoodCenter located on 1903 N 2nd St or 3805 E. Huntington Drive. There will also be an additional drop-off location at the Flagstaff Visitor Center located on 1 E Rt 66 where a refrigerated food truck will be waiting! #Flagstafflocal #Myactionsmatter  
<https://www.flagstafflocal.com/my-actions-matter/>

Get more likes, comments and shares  
When you boost this post, you'll show it to more people.

4,408  
People reached

52  
Engagements

Boost post

7 Shares

Flagstaff365.com  
November 19 · 🌐

Win two Tickets to the upcoming Theatrikos production of Yes Virginia, there is a Santa Claus. Drawings held every Wednesday. Enter today!  
#Flagstaff365 #StayPlayDistanceandMaskResponsibly  
<https://flagstaff365.com/365-weekly-giveaway/>  
Theatrikos Theatre Company

Get more likes, comments and shares  
When you boost this post, you'll show it to more people.

3,726  
People reached

21  
Engagements

Boost post



## CREATIVE SERVICES:

### ADVERTISING:

- Created over 170 digital ads for Nov-Dec **Datafy** supporting: Airport flights (Dallas, Denver and Verde Valley markets), pet-friendly hotels, dining/breweries, Route 66 Walk This Talk, holiday lights, Winter Wonderland, FSO Nutcracker ballet, Great Pine Cone Drop, Snow-ometer (to be released with snow forecast), Flagstaff 365 Sweepstakes, and Winter Stay & Play Sweepstakes; created 4 digital ads for **TripAdvisor**; created 10 digital banners for Giving Advent Box (for social use). Created print ads for **Arizona Highways Magazine**, **Arizona Drive Guide**, **Phoenix Magazine** and **Route Magazine**.
- LEGENDS DISTRICT BILLBOARD (PHOENIX):** Presented concept sketch to Tourism Commission; continued art direction with illustrator on final color artwork. Installation of billboard is planned for late February.
- 2022 FLAGSTAFF OFFICIAL VISITOR GUIDE:** Production in process; RFOs sent to commercial printers.
- HIGHLANDS LIVING MAGAZINE:** Created full page advertorial for Highlands Living Magazine
- 12NEWS:** Created KPNX Tickers and video for Ch12 promoting winter safety
- STAY, PLAY & HOLIDAY RESPONSIBLY LOGO:** Continue to adapt our stay & play responsibly branding.
- HIGHLANDS LIVING ADVERTORIAL:** Designed the Highland's Living advertorial layout for December
- LOCAL ADS:** Designed the December ads for "Your Giving Advent Box"
- AZ REPUBLIC STAY & PLAY INSERT:** Finalized the AZ Republic Stay and Play Winter insert
- STAY & PLAY SWEEPSTAKES PRINT & DIGITAL ADS:** Created the print and digital Stay and Play Sweepstakes ads for the Arizona Republic



**STAY, PLAY & HOLIDAY RESPONSIBLY**  
discoverflagstaff.com



### CITY JOBS:

- IT & ENGINEERING BUSINESS CARDS:** Updated and printing IT's business cards
- NATIVE AMERICAN HERITAGE FLYER:** Created a flyer for Native America Heritage Month
- ALTERNATIVE RESPONSE LOGO:** Continue working on the branding for the Alternative Response Vehicle
- CITY ATTORNEY:** Assisted the Senior Assistant City Attorney with a template design
- CITY MANAGER:** Worked on city recruitment campaign creative
- PD:** Assisted with video editing for the PD recruitment video

**PHOTO & VIDEO:** Scheduling photoshoot for Road Trip themed creative



## WEBSITE:

- **GREAT PINECONE DROP:** Updated the Great Pinecone Drop landing page
- **WINTER:** Adjusted links and pages on the DF website with winter content focus

## PARTNERS AND STAKEHOLDERS:

- **DIVERSITY AND INCLUSION:** Assisted with the Diversity and inclusion presentation for the Coordinator for Indigenous Initiatives
- **HOLIDAYS:** Created a Holiday card for partners and stakeholders
- **GREAT PINECONE DROP:** Met with the Weatherford Hotel to discuss Pinecone Drop campaign and landing page



**THANK YOU** for your continued support of the Economic Vitality Division for the City of Flagstaff! **We work to enhance your quality of life 365 days a year!!!**







## WATER SERVICES DIVISION



## Water Services Monthly Update November 2021

---

### Director

Wastewater and Stormwater needs were highlighted at the recent City Council budget retreat, along with other Division's funding needs. Staff presented a future investment need in Water Reclamation of \$180 million dollars, with immediate needs to "repair and replace" infrastructure at \$30 million dollars. We are in discussion for a bond issue to cover this investment.

Stormwater presented its infrastructure investment needs as well, with the predominant focus on the Museum fire/flood mitigation. An update was provided to Council on 11/23, and public comments were heard. Staff will provide monthly updates on the progression of flood mitigation projects. There is an urgency to have mitigation in place before next monsoon season.

Lisa is helping with the United Way campaign.

Ed Schenk, Gary Miller and Andy provided a presentation update on Museum fire/flood discussion during the November 20 city council meeting.

### Water Commission

The November Water Commission meeting reviewed policy related to water connections outside city limits to support Switzer main transmission line, and amendments to Regulatory Compliance's Enforcement Response Plan.

### Recruitments



Water Services is pleased to announce Gary Miller began his position of Engineering Section Director for Flagstaff Water Services on November 15.

Gary brings 15 years of civil engineering experience to the Division, moving from his position as the City's Development Engineer in the Engineering Capital Improvement Division. He is a Certified Public Manager and served as past-President of the state chapter of American Society of Civil Engineers. He is a member of the Board for Housing Solutions, a local non-profit, and has worked as an adjunct professor of Engineering at NAU. Gary's new position has oversight of all Water Services capital programs – water, wastewater, reclaimed and stormwater – as well as the Stormwater Section. When not at Water Services, he is working up to a master-level in pickleball and tending to his family including four sons. Welcome, Gary!

## ***Water – Wastewater – Reclaimed Water – Stormwater***

### **Administration Offices**

2323 N. Walgreens St., Suite 1  
Flagstaff, Arizona 86004



## **Safety**

The Rio de Flag WRP completed safety equipment installations, for connection points to secure a safety line when entering or working in Bar Screens, Clarifiers, scum pits as fall protection measures.

## **Holiday All-Employee meeting on Dec 15 via TEAMS**

## **Section Updates** (alphabetically)

### **Admin – Budget & Communications**

- It's Budget time. Personnel changes, re-org and re-class requests are first up. Worksheets will be sent out for base budget adjustments.
- We have a new Communications Aide, Bryce Thayer, who started November 15.
- We will also have an NAU Public Health Intern in January for the entire spring semester. Her focus area will be on stormwater issues – bonds, grants, public meetings and outreach, whatever is needed.
- We are working on revisions to the Operations and Maintenance manual for Frances Short Pond. It is a shared responsibility between Parks – as the recreational amenity, and Stormwater – as an active part of our stormwater drainage system. We are working through recurring tasks and responsibilities, identifying costs associated with the pond's maintenance. We will support a request from parks to add recurring budget dollars to maintain this city amenity.
- Communications released a Water Talk New piece on the Utility Assistance Program promoted by Customer Service.
- The November Blog focused on progress in the strategic plan, and 3CMA's national recognition.
- United Way campaign is on. We provided some tips to work around quirks in the system, to support easier online donation efforts.
- We are pleased to see staff honored in the annual City Manager's Awards.  
The SCADA IS TEAM supports the entire division's success, guiding us to a more automated future.

Jolene Montoya has bridged communication gaps with industrial users, food service establishments and the industries that serve them, with simplified clarity in code and providing easy to use manuals for compliance.

Fall protection measures



## Engineering

Gary is getting up to speed on Engineering needs in the Division.

- He's reviewing the process for Water & Sewer Impact Analysis, with the Northern Arizona Healthcare campus as a big first step.
- The Lake Mary annual dam report process is also being reviewed. We're considering bringing tasks in house, creating more consistent guidelines. Stay tuned for future changes.
- Staff accommodated reimbursement to County for Fort Tuthill sewerline upsizing project.

## Operations

- The Stormwater mini dozer has already more than paid for itself, with the initial purchase justification equivalent to cleaning 3 main culverts in town, equal to \$100,000 of contract work. We've already cleaned more than that. We're glad we got the electric version, and not the diesel, as the lower profile fits in more culverts.
- Sustainability arranged for their Energy Services contractor, NORESKO to conduct efficiency evaluations at the Water Reclamation Plants on Tuesday November 9 and Lake Mary Water Treatment Plant on Wednesday November 10. One big item to note: meter replacements yield better efficiency. The meter replacement program started a few years ago, with regular funding. As meters age and lose accuracy, we lose revenues.
- Red Gap Ranch work on well sites to provide water to the cattle rancher has tapered off. The earthen tanks are full, but we will continue maintenance on wells to stay ahead of the need.
- We are still trying to get some movement from Forest Service on the Lake Mary WTP land purchase. Bryce Doty (Real Estate Manager) will be sending a letter, requesting estimated costs including appraisals and environmental assessments.
- Mark gave our new Engineering Manager the grand tour, visiting 28 well sites, including a trip to Inner Basin.
- On reclaimed distribution, Snowbowl is finally making snow, getting ready for the winter season.



## Regulatory Compliance

- We're looking for a vendor to do a Copper study. Our permit limit is very low, 24 parts-per-billion (PPB), with drinking water standards at 1300 PPB.

- Also looking at protected waters of AZ, as part of our surface water permit. If the Rio de Flag is no longer protected water, we won't need copper study.
- Interviewing for lab supervisor position.
- We offered a lab tech position to an interviewee from the July recruitment.
- We will be presenting changes to Council on December 7 for the backflow enforcement requirements, holding the tester liable for delayed submission, rather than the device owner.
- A change over in UV trench at Rio resulted in an EColi detect, well below limit. Subsequent retesting resulted in non-detect levels. Need to demonstrate 4 out of 7 tests as "non-detect" for compliance.
- There will be Operator testing on Dec 9 & 10

### **Stormwater**

- Chris Palmer continues stormwater development inspections, drainage spot improvements and 2021 flood cleanup efforts.
- Doug Slover continues to work on development review which is at or near all-time highs.
- Stormwater is helping with three NAU civil engineering capstone classes, a year-long commitment, focused on lower Fanning Wash, the low water crossing of Fanning Wash at Soliere Ave, and Rio de Flag restoration near Canyon del Rio. The low water crossing team presented their capstone this semester.
- We extended the hiring period for (floodplain) and (open channel) project managers, as a sufficient applicant pool was not achieved.
- We've completed the statistical analysis portion of the Floodplain Community Technical Partnership (CTP) grant from 2018. The next step is a regional model for updating flood frequency.
- Cleanup in Fanning wash continues with a contract to KCS, internal work orders were completed for the dredging of lower Fanning Wash by old Sizzler on Rte. 66. Fence and channel repairs from 2021 flood damage are being repaired by Tiffany Construction.
- Stormwater has ordered a new aerator system and pump for Frances Short Pond, using open channel maintenance funds. The equipment is with Parks.
- The Museum Fire Flooding engineering team has begun to have weekly meetings on flood mitigation related to post-fire flooding. Immediate City projects include sediment detention basins above Linda Vista (paid for by NRCS EWP funds acquired by the Flood Control District) and Cedar to Dortha channel improvements as well as Killip School regional detention facilities.



- Stormwater spot improvements, awarded this summer, are being completed. **Photo at left** is a catch basin improvement on Verde Street in Southside and **right photo** shows Upper Fanning Wash flood clean-up from the pipeline down to Steve's Blvd.



- FEMA BRIC (Building Resilient Infrastructure and Communities) grants were submitted to the State for South Mount Elden flooding as well as Linda Vista culvert improvements. Final submission to FEMA will be in early January.
- The County, with Water Services support, flew the Spruce Wash watershed for new LiDAR and the entire city for a new 6" accuracy aerial imagery layer. The data is in processing but will be helpful for updating Stormwater impervious surfaces as well as provide field data for Water Services Operations.

### Wastewater Collections



- Collections has a new operator, David Landavazo, starting this month.
- With all trucks running, crews have been working on preventative maintenance; off Lake Mary Road, Upper Greenlaw and Shadow Mountain.
- The Stormwater Mini dozer has been working near the railroad tracks behind eastside Sizzler in Fanning Wash.
- We're completing manhole inventory updating the Cityworks map. **Picture at left** shows a crew clearing tree roots from a buried manhole.



### Water Reclamation Plants

- Plants are on COVID schedule –12-hour shifts, little to no interaction between staff during shifts. We're working on holiday schedules.
- Staff submitted project information sheets for Bond discussions currently going on.
- NORESO toured facilities, looking for energy efficiency opportunities.



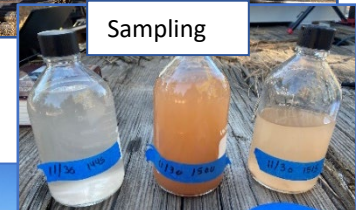
- The dredge has been pulled out of the drying ponds until April. We will use geo bags this winter to move solids
- We are running hydraulic flow models of reclaim water
- And Staff is working on the Primary Effluent Pump Station (PEPS) Plan for Rio de Flag WRP
- The laundry room renovation is nearly complete. Thanks to staff for taking on this little “extra” improvement project

### Water Distribution

- Crews working on completing fire hydrant inspections and repairs.
- Crews are working to locate the source of a consistent leak on Bonito at Elm, near Flag High.
- An 8” valve on Apache at Hwy 180 was repaired. We also assisted with a surface line repair in Pine Del neighborhood
- Working with Fire on dredging out their drainage basin around their training tower at the Wildcat Hill WRP facility.
- We’re keeping up on capital improvement projects- Cherry Hill, Canyon Terrace, Switzer Canyon, Huntington Drive’s 16” transmission line, and developers on new hydrant requirements.

### Water Production

- Consumption is down to winter averages, around 6.1 MGD (million gallons per day)
- Upper Lake Mary levels are at 22%. It looks like we will achieve our target of at least 20% remaining by the end of the year. As surface water production is reduced, staffing hours have been reduced at the LMWTP.
- Crews are working on the mountain, clearing trees on Waterline Road for Inner Basin access, a rare opportunity in November.
- We are completing aquifer testing at **Ft. Tuthill #2 well**. The first column pipe and equipment installed was too large; we’re now re-equipped with smaller equipment and column pipe. Pump development is working well and looking good. The fine sand we were pulling up is diminishing, and both recharge time and groundwater pumping levels have improved. While it took two rounds to right-size equipment, it’s looking like the new source should be able to provide at least



an additional 400 gallons per minute (gpm) or 200 million gallons per year (equivalent to 300 olympic-sized swimming pools) of crystal-clear drinking water for the City of Flagstaff.

- We received 6 new valves for an upcoming valve replacement project in the filtration building at the Lake Mary Water Treatment Plant.
- Our master flow meter at the LMWTP (measures all flows leaving the plant), which stopped working back during monsoon season after lightning strikes, was found to have cabling issues by the manufacturer, and will be returned with a new cable.



Completed Continental Well

- We completed the construction phase of Continental Well Upgrades project, including the addition of a 20,000 deaeration storage tank (picture attached) and reconfiguration of the wellhouse. Next the source will get communication & SCADA programming upgrades before being brought back online, sometime early next year.

### **Water Resources and Conservation**

- Erin is helping with Gary's transition to Engineering Section Manager
- Paul Turner is phasing out. Thanks for his help with NAH Water & Sewer Analysis, Switzer Waterline Project, County sewer upsizing payment & recapture agreement.
- We're looking at new well locations at Northern Arizona Healthcare's new campus and CDR.
- Erin is helping with Ft. Tuthill well development and aquifer testing. NAU geology classes are taking this opportunity to observe the process. By taking our time in the development phase and using our own equipment, this allows for a fuller development of this important resource.
- Erin is working on a scope for a retreat on reclaimed water policy
- Over 20 water right claims to several wells and surface water impoundments at Red Gap Ranch were filed with ADWR and successfully transferred to City of Flagstaff's name
- Exploring recent oil and gas leases in vicinity of Red Gap Ranch
- Working with city teams, FUSD and Natural Channel Design to determine source of water flowing under Elm Street from the east side of Bonito Street in vicinity of Flag High.
- Updating agreement with Kachina Peaks Avalanche Center for use of Inner Basin Cabin during winter months

## Conservation

- We provided water efficiency supplies for APS Electric Vehicle event.
- Two, new Water Conservation Aides started in November. They are working on a holiday promo, providing low flow aerators and showerheads as stocking stuffers.
- Conservation is partnering with Azulita to provide reusable water bottles for students



Replacing Aerators at FJA

- Staff attended two Home Energy Efficiency Workshops with water conservation strategies.
- We are conducting one school retrofit for Flagstaff Junior Academy, providing ten aerators in bathrooms and ordering child-size low-flow toilets.
- Stay tuned for an update on the non-revenue water audit.



Tabling the APS EV Event

Respectfully submitted,

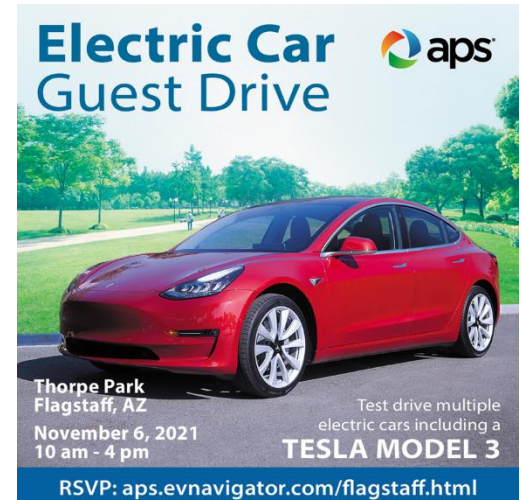
Lisa Deem  
Water Services Management Analyst

# Sustainability Section

## Month in Review: November, 2021.

### HOT TOPICS:

- Sustainability Staff teamed up with APS to host an Electric Car Guest Drive Event on November 6<sup>th</sup>.
  - Participants had the opportunity to try out an electric vehicle without the pressure to purchase.
  - The event had 96 attendee drivers and 173 total attendees. A total of 198 drives were performed.
- Staff helped launch the Innovate Waste and Carbon Neutrality Challenge on November 12, 2021
  - Challenge details can be found at the [Moonshot webpage](#)
  - An informational flyer on the business potential of Carbon Dioxide Removal (flyer developed for the event) can be found on the [City's Carbon Dioxide Removal webpage](#).



### CLIMATE ACTION:

- Flagstaff has once again been recognized as an A-List City from CDP (formerly the Carbon Disclosure Project)
  - *This is the 3rd year in a row that Flagstaff has received this recognition.*
  - *"Flagstaff has been recognized by CDP as one of 95 cities across the globe - almost half of them new to this year's list - that is taking bold leadership on environmental action and transparency, despite the continued pressures of tackling the coronavirus pandemic on local and national economies and societies.*
  - *To score an A, a city must disclose publicly and have a city-wide emissions inventory, have set an emissions reduction target and a renewable energy target for the future and have published a climate action plan. It must also complete a climate risk and vulnerability assessment and have a climate adaptation plan to demonstrate how it will tackle climate hazards. Many A List cities are also taking a variety of other leadership actions, including political commitment from a city's Mayor to tackle climate change.*
  - *To reflect the level of ambition needed to achieve 1.5°C targets, the bar for entry to the A List has been raised. As a result, in 2021, less than one in ten cities scored by CDP (9.8% of such cities) received an A."*
- Sustainability Staff are working with Community Development colleagues on revisions to the High Occupancy Housing zoning code and the Sustainable Building Incentive.
- Jenna Ortega started as the full-time Climate Engagement Coordinator on November 1st. She is thrilled to work alongside and engage the local community on everything from increasing resilience within Flagstaff to inclusive projects that address climate change and inequity. Jenna draws on her background in environmental science and grassroots organizing to empower others to take part in climate solutions for healthier and more connected communities. Before joining the City of Flagstaff, Jenna served as a nonprofit community organizer, a field biologist, and a wildland firefighter. She attended Portland State University and holds a Bachelor of Science in Environmental Science. Jenna is a kayaker, forager, explorer, and invested in a future that is sustainable for all.



- Staff presented to the Planning and Zoning Commission, and then City Council, on the Regional Plan Amendment for Carbon Neutrality, on 11/10, 11/17, and 11/16 respectively. The amendment will be presented to City Council for adoption on December 7, 2021.
- Staff presented to the Coconino County Board of Supervisors on the City's climate work. The Board directed staff to move forward with setting climate goals and creating a climate plan for Coconino County.
- The Climate Ambassadors will have a training in January:
  - Wednesday, January 19th, and Thursday, January 20th, 2022, 6:00-7:30 PM
  - Information and registration link can be found here: <https://gis.flagstaffaz.gov/portal/apps/sites/#/flagstaffclimate/pages/ambassadors>
- Staff developed and delivered a collaborative presentation during COP26 – Local Governments, Advancing Carbon Dioxide Removal. Together - with partners from Boulder County, the Center for Negative Carbon Emissions, OpenAir, and Carbon Direct.
  - A recording of the presentation can be found on the [City's Carbon Dioxide Removal webpage](#).
- Staff announced the formation of a Local Government Carbon Dioxide Removal Coalition, along with Boulder County.
  - Flagstaff and Boulder are actively inviting other local governments to join the coalition, with the goal of aggregating resources to develop a charismatic project in the next year.
- The Community University Public Inquiry (CUPI) pod continued their semester long research/surveys related to the Target Area of Decreased Dependence on Cars.
  - The pod will present their mid-year work on 12/2, with next steps expected to include a second semester of research and public inquiry to build on the work.
- The City of Flagstaff has been awarded a \$75,000 grant from MetroPlan greater Flagstaff for training and tool development to support Flagstaff's transportation transformation.
- The Climate Science and Solutions graduate program cohort has completed a resource document on advancing resilience in Flagstaff. This document provides information on Flagstaff's climate vulnerabilities and recommendations on how to adapt to climate change and create a stronger community.
- The City was awarded a \$2,500 grant from APS to provide HEPA filtration systems to vulnerable Flagstaff residents, who are at risk during unhealthy air events.

#### COMMUNITY STEWARDS/LITTER PREVENTION:

- November Litter Cleanup Data:

Date	# of Volunteers	Total Hours	Bags of Trash	Bags of Recycling
11/6	9	9	9	2
11/6	8	16	9	0
11/14	4	6	10	2
11/14	7	16	7	2
11/21	3	9	8	5
<b>Totals</b>	<b>31</b>	<b>56</b>	<b>43</b>	<b>11</b>



## ENERGY:

- The first Free Home Energy Efficiency (HEE) workshop was an in-person event on 11/10/ 2021 from 5:30 to 6:30pm. The event took place in the Sustainability Office garage with social distancing.
  - The second HEE workshop was hosted remotely via Zoom on 11/15/2021. Going forward the goal will be to offer the workshop in a variety of formats (in-person, remote, self-paced) to maximize accessibility and convenience.
  - Additional workshop dates (including Zoom options) and the registration link can be found here: [www.flagstaff.az.gov/HEE](http://www.flagstaff.az.gov/HEE)
- \$15,123 (~75%) of the Energy Rebate funds have been distributed as of 11/30.
- The Energy Services Contract (ESCO) with chosen provider NORESCO was approved by Council on 11/2/2021. With the formal launch of the ESCO, NORESCO staff have begun meeting with staff across departments and are preparing to conduct the Investment Grade Audit (IGA) of all municipal facilities and processes.

## FOOD SYSTEMS:

- Staff selected Jacob Raatz as the next Sustainable Food System VISTA. His term of service will begin in January 2022 and run for one year. Jacob will be responsible for community garden outreach and volunteer coordination.
- A call to artists is set to go out in December for a project in partnership with the Beautification, Arts, and Sciences team to enhance the O'Leary St. community garden. Applications will be accepted for six weeks following the release date and a selection panel consisting of members of the Southside Community Association and BPAC will appoint an artist. Construction is set for early Spring of 2022.
- Self-service drop-off stations were installed at the Flagstaff CSA Store and the Hal Jensen Recreation Center on October 25th.
  - Participants are required to fill out a one-time survey onsite to drop off compostable items.
  - There have been 86 total responses to the participant survey between both self-service stations and 72% of participants would be interested in a city-wide pick-up service long term. Surveys are available in English and Spanish online and physical copies are available at both locations.



## MATERIALS MANAGEMENT:

- On Saturday, November 20<sup>th</sup>, Staff hosted a Fix-it Clinic at the Joe C. Montoya Community & Senior Center. Over 60 community members attended this event.
- The fall 2021 Flagstaff Sustainability Leaders course has wrapped!
  - Participants gathered weekly on Thursdays in the Sustainability garage and online to hear presentations from Sustainability Staff, as well as other local sustainability leaders around Flagstaff on topics such as climate change, climate communication, climate justice and equity, composting, and recycling.
- Summer White, the previous Sustainable Food Systems VISTA, was selected as the new Waste Reduction and Food Systems Coordinator. She will begin full-time with the City in January 2022.
- Check out this incredible video featuring Ward Davis, one of our most active volunteers! Ward can frequently be found helping at Fix-it Clinics, recycling audits, and other waste reduction events in our community. He truly goes above and beyond, and we are so thankful for everything he does!
  - <https://www.youtube.com/watch?v=xr84LWSPqyl>



## SUSTAINABILITY COMMISSION:

- In the meeting on November 18th, Sustainability Commissioners heard a presentation from Sustainability Staff on Climate Bonds and voted to approve Staff's recommendations to the Citizen Bond Committee, decided not to allow funding be used for Neighborhood Sustainability Grants retroactively, heard a presentation from and gave feedback to the NAU Climate Science and Solutions Class on their Resilience and Adaptation Document, and formed a working group to optimize the Neighborhood Sustainability Grant process. They also heard presentations from the remaining top scoring applicants for the Neighborhood Sustainability Grant and Water Conservation Research Grant and voted to award funds to Lefty Loosey Bikes, Friends of Flagstaff Future, Jay Holt, Superyard Farms, COCO-OP, Dr. Ricardo Guthrie, AZ Custom Plastics, Community Assistance Teams of Flagstaff, Tynkertopia, and Northland Family Help Center, Liminal Flagstaff, and the University of Arizona Coconino County Cooperative Extension.
- Next meeting: Thursday December 9<sup>th</sup>, 2021, 4:30pm-6:30pm

## UPCOMING SUSTAINABILITY COMMUNITY EVENTS:

- Upcoming Free Home Energy Efficiency Workshop dates (including Zoom options) and the registration link can be found here: [www.flagstaff.az.gov/HEE](http://www.flagstaff.az.gov/HEE)
  - Future dates: 12/8/2021; 1/04/2022; 1/24/2022; 2/09/2022; 3/08/2022.

## SOCIAL MEDIA

- Our top post on both Instagram and Facebook was a post about the new welcome sign at the Bonito St. Community Garden. This post received 47 likes on Instagram and 27 reactions, one comment, and one share on Facebook.

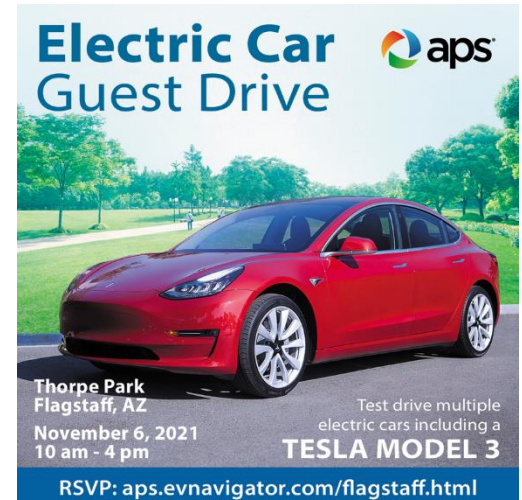


# Sustainability Section

## Month in Review: November, 2021.

### HOT TOPICS:

- Sustainability Staff teamed up with APS to host an Electric Car Guest Drive Event on November 6<sup>th</sup>.
  - Participants had the opportunity to try out an electric vehicle without the pressure to purchase.
  - The event had 96 attendee drivers and 173 total attendees. A total of 198 drives were performed.
- Staff helped launch the Innovate Waste and Carbon Neutrality Challenge on November 12, 2021
  - Challenge details can be found at the [Moonshot webpage](#)
  - An informational flyer on the business potential of Carbon Dioxide Removal (flyer developed for the event) can be found on the [City's Carbon Dioxide Removal webpage](#).



### CLIMATE ACTION:

- Flagstaff has once again been recognized as an A-List City from CDP (formerly the Carbon Disclosure Project)
  - *This is the 3rd year in a row that Flagstaff has received this recognition.*
  - *"Flagstaff has been recognized by CDP as one of 95 cities across the globe - almost half of them new to this year's list - that is taking bold leadership on environmental action and transparency, despite the continued pressures of tackling the coronavirus pandemic on local and national economies and societies.*
  - *To score an A, a city must disclose publicly and have a city-wide emissions inventory, have set an emissions reduction target and a renewable energy target for the future and have published a climate action plan. It must also complete a climate risk and vulnerability assessment and have a climate adaptation plan to demonstrate how it will tackle climate hazards. Many A List cities are also taking a variety of other leadership actions, including political commitment from a city's Mayor to tackle climate change.*
  - *To reflect the level of ambition needed to achieve 1.5°C targets, the bar for entry to the A List has been raised. As a result, in 2021, less than one in ten cities scored by CDP (9.8% of such cities) received an A."*
- Sustainability Staff are working with Community Development colleagues on revisions to the High Occupancy Housing zoning code and the Sustainable Building Incentive.
- Jenna Ortega started as the full-time Climate Engagement Coordinator on November 1st. She is thrilled to work alongside and engage the local community on everything from increasing resilience within Flagstaff to inclusive projects that address climate change and inequity. Jenna draws on her background in environmental science and grassroots organizing to empower others to take part in climate solutions for healthier and more connected communities. Before joining the City of Flagstaff, Jenna served as a nonprofit community organizer, a field biologist, and a wildland firefighter. She attended Portland State University and holds a Bachelor of Science in Environmental Science. Jenna is a kayaker, forager, explorer, and invested in a future that is sustainable for all.



- Staff presented to the Planning and Zoning Commission, and then City Council, on the Regional Plan Amendment for Carbon Neutrality, on 11/10, 11/17, and 11/16 respectively. The amendment will be presented to City Council for adoption on December 7, 2021.
- Staff presented to the Coconino County Board of Supervisors on the City's climate work. The Board directed staff to move forward with setting climate goals and creating a climate plan for Coconino County.
- The Climate Ambassadors will have a training in January:
  - Wednesday, January 19th, and Thursday, January 20th, 2022, 6:00-7:30 PM
  - Information and registration link can be found here: <https://gis.flagstaffaz.gov/portal/apps/sites/#/flagstaffclimate/pages/ambassadors>
- Staff developed and delivered a collaborative presentation during COP26 – Local Governments, Advancing Carbon Dioxide Removal. Together - with partners from Boulder County, the Center for Negative Carbon Emissions, OpenAir, and Carbon Direct.
  - A recording of the presentation can be found on the [City's Carbon Dioxide Removal webpage](#).
- Staff announced the formation of a Local Government Carbon Dioxide Removal Coalition, along with Boulder County.
  - Flagstaff and Boulder are actively inviting other local governments to join the coalition, with the goal of aggregating resources to develop a charismatic project in the next year.
- The Community University Public Inquiry (CUPI) pod continued their semester long research/surveys related to the Target Area of Decreased Dependence on Cars.
  - The pod will present their mid-year work on 12/2, with next steps expected to include a second semester of research and public inquiry to build on the work.
- The City of Flagstaff has been awarded a \$75,000 grant from MetroPlan greater Flagstaff for training and tool development to support Flagstaff's transportation transformation.
- The Climate Science and Solutions graduate program cohort has completed a resource document on advancing resilience in Flagstaff. This document provides information on Flagstaff's climate vulnerabilities and recommendations on how to adapt to climate change and create a stronger community.
- The City was awarded a \$2,500 grant from APS to provide HEPA filtration systems to vulnerable Flagstaff residents, who are at risk during unhealthy air events.

#### COMMUNITY STEWARDS/LITTER PREVENTION:

- November Litter Cleanup Data:

Date	# of Volunteers	Total Hours	Bags of Trash	Bags of Recycling
11/6	9	9	9	2
11/6	8	16	9	0
11/14	4	6	10	2
11/14	7	16	7	2
11/21	3	9	8	5
<b>Totals</b>	<b>31</b>	<b>56</b>	<b>43</b>	<b>11</b>

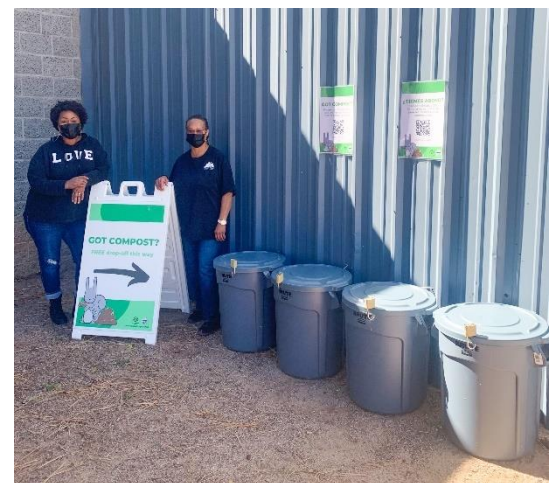


## ENERGY:

- The first Free Home Energy Efficiency (HEE) workshop was an in-person event on 11/10/ 2021 from 5:30 to 6:30pm. The event took place in the Sustainability Office garage with social distancing.
  - The second HEE workshop was hosted remotely via Zoom on 11/15/2021. Going forward the goal will be to offer the workshop in a variety of formats (in-person, remote, self-paced) to maximize accessibility and convenience.
  - Additional workshop dates (including Zoom options) and the registration link can be found here: [www.flagstaff.az.gov/HEE](http://www.flagstaff.az.gov/HEE)
- \$15,123 (~75%) of the Energy Rebate funds have been distributed as of 11/30.
- The Energy Services Contract (ESCO) with chosen provider NORESCO was approved by Council on 11/2/2021. With the formal launch of the ESCO, NORESCO staff have begun meeting with staff across departments and are preparing to conduct the Investment Grade Audit (IGA) of all municipal facilities and processes.

## FOOD SYSTEMS:

- Staff selected Jacob Raatz as the next Sustainable Food System VISTA. His term of service will begin in January 2022 and run for one year. Jacob will be responsible for community garden outreach and volunteer coordination.
- A call to artists is set to go out in December for a project in partnership with the Beautification, Arts, and Sciences team to enhance the O'Leary St. community garden. Applications will be accepted for six weeks following the release date and a selection panel consisting of members of the Southside Community Association and BPAC will appoint an artist. Construction is set for early Spring of 2022.
- Self-service drop-off stations were installed at the Flagstaff CSA Store and the Hal Jensen Recreation Center on October 25th.
  - Participants are required to fill out a one-time survey onsite to drop off compostable items.
  - There have been 86 total responses to the participant survey between both self-service stations and 72% of participants would be interested in a city-wide pick-up service long term. Surveys are available in English and Spanish online and physical copies are available at both locations.



## MATERIALS MANAGEMENT:

- On Saturday, November 20<sup>th</sup>, Staff hosted a Fix-it Clinic at the Joe C. Montoya Community & Senior Center. Over 60 community members attended this event.
- The fall 2021 Flagstaff Sustainability Leaders course has wrapped!
  - Participants gathered weekly on Thursdays in the Sustainability garage and online to hear presentations from Sustainability Staff, as well as other local sustainability leaders around Flagstaff on topics such as climate change, climate communication, climate justice and equity, composting, and recycling.
- Summer White, the previous Sustainable Food Systems VISTA, was selected as the new Waste Reduction and Food Systems Coordinator. She will begin full-time with the City in January 2022.
- Check out this incredible video featuring Ward Davis, one of our most active volunteers! Ward can frequently be found helping at Fix-it Clinics, recycling audits, and other waste reduction events in our community. He truly goes above and beyond, and we are so thankful for everything he does!
  - <https://www.youtube.com/watch?v=xr84LWSPqyl>



## SUSTAINABILITY COMMISSION:

- In the meeting on November 18th, Sustainability Commissioners heard a presentation from Sustainability Staff on Climate Bonds and voted to approve Staff's recommendations to the Citizen Bond Committee, decided not to allow funding be used for Neighborhood Sustainability Grants retroactively, heard a presentation from and gave feedback to the NAU Climate Science and Solutions Class on their Resilience and Adaptation Document, and formed a working group to optimize the Neighborhood Sustainability Grant process. They also heard presentations from the remaining top scoring applicants for the Neighborhood Sustainability Grant and Water Conservation Research Grant and voted to award funds to Lefty Loosey Bikes, Friends of Flagstaff Future, Jay Holt, Superyard Farms, COCO-OP, Dr. Ricardo Guthrie, AZ Custom Plastics, Community Assistance Teams of Flagstaff, Tynkertopia, and Northland Family Help Center, Liminal Flagstaff, and the University of Arizona Coconino County Cooperative Extension.
- Next meeting: Thursday December 9<sup>th</sup>, 2021, 4:30pm-6:30pm

## UPCOMING SUSTAINABILITY COMMUNITY EVENTS:

- Upcoming Free Home Energy Efficiency Workshop dates (including Zoom options) and the registration link can be found here: [www.flagstaff.az.gov/HEE](http://www.flagstaff.az.gov/HEE)
  - Future dates: 12/8/2021; 1/04/2022; 1/24/2022; 2/09/2022; 3/08/2022.



## SOCIAL MEDIA

- Our top post on both Instagram and Facebook was a post about the new welcome sign at the Bonito St. Community Garden. This post received 47 likes on Instagram and 27 reactions, one comment, and one share on Facebook.



## 5. A.

### CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

:

Date: 12/14/2021

Meeting Date: 12/28/2021



---

#### TITLE:

**Consideration and Approval of Contract:** Approve the cooperative purchase contract with National Auto Fleet Group in the amount of \$51,159.06 for a 2022 Ford Transit Cargo Van (RTX) T-250.

#### STAFF RECOMMENDED ACTION:

1. Approve the cooperative purchase contract with National Auto Fleet Group in the amount of \$51,159.06 for a 2022 Ford Transit Cargo Van (RTX) T-250; and
2. Authorize the City Manager to execute the necessary documents.

#### Executive Summary:

City Council approved the contract for an alternate response mobile unit with Terros Health, Inc. on October 5, 2021. This contract is for the van that will transport the Firefighter/Emergency Medical Technician and Behavioral Health Specialist as they conduct outreach efforts from 10:00 a.m. to 8:00 p.m. upon initial implementation. The van will provide enough space for specialized equipment for a basic life safety response in addition to comfort items such as water and snacks, emergency clothing, toiletries, blankets, and cultural items like abalone shells, sage, and cedar and the ability to transport individuals as needed.

City Council requested during the April 2021 Budget Retreat that staff purchase an electric vehicle to support the alternate response mobile unit. Unfortunately, the current technology does not meet the needs of the alternate response mobile unit. The City would have to purchase two electric vehicles in order to cover one shift, which is not cost-effective given the adopted budget. Based on conversations between the City's fleet and procurement staff members and the potential vendors, it does appear the technology will be progressing and the City anticipates a vehicle will be launched in mid-2023 that could meet the needs of the program. The City anticipates the purchase of one van would come at the end of the production requests following larger purchases for organizations such as FedEx, which may align well with the end of life of this 2022 Ford Transit Cargo Van (RTX) T-250.

This van has been placed on hold, so the City did not lose the opportunity to purchase the vehicle necessary for the alternate response mobile unit. The cooperative contract is 30 weeks out for delivery and it will take another 3-4 weeks in order to add the additional equipment necessary to support the program.

A picture of the outside of the van and the interior equipment and setup is attached to the staff summary. The Alternate Response Team is currently working with Discover Flagstaff and the Indigenous Commission to finalize a logo that will be prominently displayed on the exterior of the van.

**Financial Impact:**

The City budgeted \$65,000 for the purchase of the van in account number 001-03-051-0206-2-4401.

**Policy Impact:**

This purchase was unable to meet the expectations of the Carbon Neutrality Plan given the limitations of electric vans currently being manufactured and sold. They are unable to meet the 10-hour shift intended upon implementation of the alternate response mobile unit in 2022. It is important the City be able to purchase a van that will fulfill the shift requirements upon initial implementation and into the future as this schedule grows to meet the demands of the Flagstaff community.

**Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:****Priority Based Budget Key Community Priorities and Objectives**

Safe & Healthy Community: Foster a safe, secure and healthy community, enhance community engagement and community policing efforts, develop alternative diversion programs.

**Carbon Neutrality Plan****Regional Plan**

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

**Has There Been Previous Council Decision on This:**

No.

**Options and Alternatives:**

None.

**Background/History:**

Procurement staff reviewed the agency cooperative agreement and have determined the agreement to be valid, and it meets the requirements of this purchase.

---

**Attachments:**     [2022-53 One \(1\) Ford Transit Cargo Van \(RTX\) T-250](#)  
                         [Exhibit A - NAFG Quote ID 30335 51159.06 10-29-2021](#)  
                         [Photo of Vehicle](#)  
                         [Exhibit B - National Auto Agency Contract](#)  
                         [Exhibit B - National Auto Fleet Contract 120716](#)  
                         [Exhibit B - National Auto Fleet Contract Extension](#)

## COOPERATIVE PURCHASE CONTRACT

Contract No. 2022-58

This Cooperative Purchase Contract is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and 72 Hour LLC, d/b/a National Auto Fleet Group, a State of California corporation ("Contractor").

necessary

### RECITALS:

- A. Sourcewell (Formerly Known as NJPA) has Contract 120716-NAF to supply materials and/or services ("Agency Contract");
- B. Contractor is an authorized distributor of the Sourcewell materials and/or services, which was awarded through a competitive and open procurement process; and
- C. 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:

**One (1) 2022 Ford Transit Cargo Van (RTX) T-250**

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 for fifty-one thousand one hundred fifty-nine dollars and six cents **(\$51,159.06) including other fees and taxes**; 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 documents are set forth in Exhibit B attached hereto and incorporated by reference. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract, including, specifically changes in price for the materials.
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.

72 Hour LLC d/b/a National Auto Fleet Group:

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

Title: \_\_\_\_\_

CITY OF FLAGSTAFF

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

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney's Office



## **EXHIBIT A**

**QUOTE # 30335 for One (1) 2022 Ford Transit Cargo Van (R2X) T-250 (attached)**

**EXHIBIT B**  
**AGENCY CONTRACT**

**Sourcewell (Formerly Known as NJPA) Contract 120716-NAF (attached)**

**Letter of Agreement to Extend the Contract**



# National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

10/29/2021

Quote ID: **30335**

Order Cut Off Date: **10/29/2021**

Gregory Conlin  
City of Flagstaff  
Fleet Services

211 West Aspen Ave

Flagstaff, Arizona, 86001

Dear Gregory Conlin,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.

**One (1) New/Unused (2022 Ford Transit Cargo Van (R2X) T-250 148" Hi Rf 9070 GVWR AWD, )** and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Total Savings
Contract Price	\$53,060.00	\$46,857.54	11.690 %	\$6,202.46
Tax (9.1800 %)		\$4,301.52		
Tire fee		\$0.00		
Total		\$51,159.06		

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell (Formerly Know as NJPA) Contract 120716-NAF** . Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper  
Account Manager  
Email: Fleet@NationalAutoFleetGroup.com  
Office: (855) 289-6572  
Fax: (831) 480-8497





**Solicitation Number: RFP #091521****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and 72 Hour LLC dba: National Auto Fleet Group, 490 Auto Center Drive, Watsonville, CA 95076 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

**1. TERM OF CONTRACT**

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires November 8, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All rights will cease upon expiration or termination of this Contract.

**2. EQUIPMENT, PRODUCTS, OR SERVICES**

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.



Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

### **3. PRICING**

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be

returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

#### **4. PRODUCT AND PRICING CHANGE REQUESTS**

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

## **5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS**

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

## **6. PARTICIPATING ENTITY USE AND PURCHASING**

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

**B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

**C. SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

**D. TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

**E. GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

## **7. CUSTOMER SERVICE**

**A. PRIMARY ACCOUNT REPRESENTATIVE.** Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

## **8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT**

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased



by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

## **9. AUTHORIZED REPRESENTATIVE**

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

## **10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE**

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

## **11. INDEMNITY AND HOLD HARMLESS**

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

## **12. GOVERNMENT DATA PRACTICES**

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

## **13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT**

### **A. INTELLECTUAL PROPERTY**

1. *Grant of License.* During the term of this Contract:
  - a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
  - b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

resellers, marketing representatives, and agents (collectively “Permitted Sublicensees”) in advertising and promotional materials for the purpose of marketing the Parties’ relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

**3. *Use; Quality Control.***

- a. Neither party may alter the other party’s trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.
- b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party’s trademarks only in good faith and in a dignified manner consistent with such party’s use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

**5. *Termination.*** Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party’s name or logo (excepting Sourcewell’s pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell’s written directions.

**B. PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

**C. MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

**D. ENDORSEMENT.** The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

#### **14. GOVERNING LAW, JURISDICTION, AND VENUE**

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

#### **15. FORCE MAJEURE**

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

#### **16. SEVERABILITY**

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

#### **17. PERFORMANCE, DEFAULT, AND REMEDIES**

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

## **18. INSURANCE**

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms



no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

## **19. COMPLIANCE**

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

## **20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION**

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

## **21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS**

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation



and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

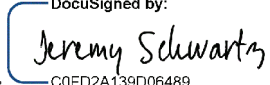
T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

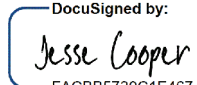
## 22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

72 Hour LLC dba: National Auto  
Fleet Group

DocuSigned by:  
  
By: C0FD2A139D06489...  
Jeremy Schwartz  
Title: Chief Procurement Officer  
11/4/2021 | 1:28 PM CDT  
Date: \_\_\_\_\_

DocuSigned by:  
  
By: FACBB5730C1E467...  
Jesse Cooper  
Title: Fleet Manager  
11/4/2021 | 10:46 AM CDT  
Date: \_\_\_\_\_

Approved:

DocuSigned by:  
  
By: 7E42B8F817A64CC...  
Chad Coauette  
Title: Executive Director/CEO  
11/4/2021 | 1:34 PM CDT  
Date: \_\_\_\_\_

# RFP 091521 - Automobiles, SUVs, Vans, and Light Trucks with Related Equipment and Accessories

---

## Vendor Details

Company Name: 72 HOUR LLC

Does your company conduct business under any other name? If yes, please state: National Auto Fleet Group

Address: 490 Auto Center Drive  
Watsonville, CA 95076

Contact: Jesse Cooper

Email: Jcooper@nationalautofleetgroup.com

Phone: 951-440-0585

Fax: 831-840-8497

HST#: 263297677

## Submission Details

Created On: Tuesday August 24, 2021 16:34:10

Submitted On: Tuesday September 14, 2021 14:10:21

Submitted By: Jesse Cooper

Email: Jcooper@nationalautofleetgroup.com

Transaction #: d2e890de-e761-4f47-9b23-bef3d512bd76

Submitter's IP Address: 76.81.241.2

---

**Specifications****Table 1: Proposer Identity & Authorized Representatives**

**General Instructions** (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	72 Hour LLC	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	WCAF, LLC WCDJR, LLC Alan Jay Automotive Inc	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	NAFG has numerous subsidiaries and DBA's including but not limited to: National Auto Fleet Group, Chevrolet of Watsonville, Watsonville Ford Watsonville CDJR Watsonville Fleet Group Alan Jay Chrysler Jeep Inc Alan Jay Chevrolet, Cadillac Alan Jay Buick, GMC Alan Jay Auto Outlet Clewiston Motor Company, Inc Alan Jay Chrysler Dodge Ram Jeep Alan Jay Lincoln Alan Jay Ford Alan Jay Nissan Alan Jay Toyota	*
4	Proposer Physical Address:	490 Auto Center Drive Watsonville, CA 95076	*
5	Proposer website address (or addresses):	www.NationalAutoFleetGroup.com	*
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Jesse Cooper Fleet Manager  1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jesse Cooper Fleet Manager  1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 Jcooper@nationalautofleetgroup.com	*
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Clarke Cooper Fleet Manager  1-855-289-6572 490 Auto Center Drive Watsonville, CA 95076 ClarkeCooper@watsonvillefleetgroup.com	

**Table 2: Company Information and Financial Strength**

Line Item	Question	Response *	
-----------	----------	------------	--

9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>National Auto Fleet Group started as a new division of 72 Hour LLC, in the summer of 2010 in the heart of Southern California. We began our network with a single automobile dealership and have now grown our network to encompass numerous dealerships located in and outside of California.</p> <p>We stand by providing opportunities for advancement by hiring and promoting from within our organization. Many of the Fleet Managers who started with us in 2010 are still with us today.</p> <p>Through the years, we have evolved and adapted to the new technology driven trends that are revolutionizing the automotive industry today. However, our brand's fundamental core values have remained unchanged – We are committed to do right for the members. If we take care of them, they will in return take care of us.</p> <p>National Auto Fleet Group's operational blueprint and business philosophy has always been the "4 RIGHT's" for every member: We deliver the RIGHT vehicle, at the RIGHT time, to the RIGHT place at the RIGHT price.</p> <p>The integrity of our business stems on our deep family roots in the automotive industry. We are and always will be family owned and operated with our future generations already in their infant stages today. We are committed to pioneering our industry for decades to come.</p>
10	What are your company's expectations in the event of an award?	<p>If awarded, this would be our 5th Sourcewell Contract and we would execute as such. We will continue to serve your members and provide them with excellent customer service while continuing to advance customer satisfaction. Along with implementing new business growth strategies that will ultimately launch us into new heights once again.</p> <p>Furthermore, we will launch our Partner Program detailed in the attached "marketing Plan Compressed" Zip file. This next generation application will give members the power to select upfitters they would like NAFG to partner with in providing satisfactory quotes and service. We see tremendous value in building out these mutually beneficial partnerships, so we can provide 100% satisfactory turnkey solutions to the members.</p>
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	<p>To demonstrate NAFG's financial strength and stability, we have uploaded Bank Commitment letters under the Financial Strength Section of the online application. We have a direct line of credit of \$52,000,00.00 that we are currently utilizing with our current and past Sourcewell Contracts. However, this number is not capped as we have the freedom to extend the cap to accommodate the revolving needs of the members.</p> <p>Referenced below is a short register of some of our market success from awarded government contracts that encompass over \$140,000,000.00 worth of products and goods under our current Sourcewell Contract.</p> <p>A. City of San Diego, CA \$ 72,000,000 contract under our Sourcewell Contract 120716-NAF.</p> <p>B. City of San Diego, CA \$ 55,400,000 contract under our Sourcewell Contract 081716-NAF.</p> <p>C. Government Fleet Article Highlighting our transaction with the City of San Diego, CA procuring over 100 Police vehicles through NAFG Sourcewell Contract 120716-NAF.</p> <p>D. City of Los Angeles World Airports, CA Contract for \$ 24,003,500 under Sourcewell Contract 120716-NAF for the procurement of 400 vehicles.</p> <p>E. City of Los Angeles Harbor, CA Contract Extension to \$ 4,500,000 contract under Sourcewell Contract 120716-NAF.</p> <p>F. City of Los Angeles Harbor, CA Contract for \$1,500,000 under our Sourcewell Contract 120716-NAF.</p> <p>G. City of Los Angeles Harbor, CA Renewal for another \$ 1,500,000 under Sourcewell Contract Class 6, 7 and 8 Contract 081716-NAF.</p> <p>H. City of Costa Mesa, CA Contract \$1,023,220 under our Sourcewell Contract 120716-NAF.</p> <p>I. Blanket Contracts with the State of Maryland, MD off our current Class 6, 7 and 8 Chassis Contract 081716-NAF.</p> <p>J. Blanket Contracts with the State of Maryland, MD off our Current Sourcewell Contract 120716-NAF.</p> <p>We have also attached our Commitment Letter's for unparalleled support from leading nationally recognized upfit suppliers such as The Knapheide Manufacturing Company. Along with regional suppliers such as Brand FX and Phenix Truck Body located in Southern California serve as regional support locations, whom we often work alongside to fulfill all member needs with past, present, and future orders with NAFG.</p> <p>Included are also Upfitter Recommendation letters to illustrate how National Auto Fleet Group has taken a proactive interest in building mutually beneficial relationship with our upfitters. Mutuality and reciprocity relationships between body companies and our dealer's are two of the key components that help members receive what they need in a smooth and efficient fashion.</p> <p>In addition, the adoption of our Class 6, 7, and 8 Contract from Anne Arundel County in the state of Maryland is as an example of how National Auto Fleet Group attracts and retains new clients by demonstrating to them there's a better and more efficient way of finding turnkey solutions.</p> <p>Lastly, we have attached supporting documents that help emphasize and exemplify our growth since our first awarded Sourcewell Contract in 2012. We sincerely hope it helps portray our commitment to building lifelong rapport and trust with our partner upfitters and members.</p>
12	What is your US market share for the solutions that you are proposing?	. Of our respective brands and OEM's we represent, the US market share is estimated to be 60 – 75%.
13	What is your Canadian market share for the solutions that you are proposing?	It is difficult to estimate the market share for the brands and OEM's we represent, however we estimate that it should be the same 60 -75 % of the US share.
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No.



15	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	<p>National Auto Fleet Group is a dealer network best categorized as "A" - Distributer/Dealer/Reseller and Dealer Partner for (15) OEM Manufacturers including Ford Motor Company, Chevrolet, RAM, GMC, Buick, Chrysler, Dodge, Jeep, Toyota, Nissan, KIA, BMW, Honda, Cadillac and Volkswagen, All orders are placed with the franchised dealer and ultimately titled directly to the member. All appropriate certification certificates and authorized DMV/Factory licenses may be found in the "Related Certification" section uploaded to this RFP. It should be noted we do not sell used equipment to members.</p>
16	<p>If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.</p>	<p>Required licenses include a Dealer's License, a Franchise issued by the Manufacture, a Department of Motor Vehicles License, as well as a Reseller's permit license. All which NAFG and Dealer Partner's hold. Please review our attachment documents in section "Related Certification" for licenses that we either solely own or are jointly owned by our partner dealers that pertain to this RFP. A list of all our licenses are below, some of which may not pertain to class 1-3 but to class 4-8.</p> <p>CA Certificate of Good Standing 200824810190  State of Florida License Certificates:  VF/1000974/4  VF/1000950/1  VF/1046516/1  VF/1024619/2  VF/1024619/1  VF/1018615/1  VF/1021891/1  VF/1000974/3  VF/1105916/1  VF/1020705/1  VF/1000969/1  CA State Seller's Permit 101-135239  CA State Seller's Permit 245364864-00001  Department of Motor Vehicle, Vehicle Dealer/ License Number 97772  Department of Motor Vehicle, Vehicle Dealer License Number 97771  Department of Motor Vehicle, Vehicle Dealer License Number 43609  Bureau of Automotive repair Registration # ARD00296319 123120  CA State Seller's Permit 232781952-00001  City of Watsonville Business License Number 1792  City of Watsonville Business License Number 4358  Fictitious Business Names from Santa Cruz County for National Auto Fleet Group FBN: 2017-0000138  California General Resale Certificate  Dun &amp; Bradstreet Number: 023680653  Government of The District of Columbia Certificate  Government of the District of Columbia Tax Registration # 7815888160711  City of Los Angeles Tax Registration  Government of The District of Columbia CLEAN HANDS CERTIFICATION  San Diego Freightliner Seller's Permit  Commonwealth of Virginia State Corporation Commission Certificate  State of Maryland Good Standing Certificate  Kansas Department of Revenue for Kansas City Peterbilt  New Jersey Department of Treasury Registration Certificate  New Jersey Business Registration  Notice of Compliance of the Canton City Codified Ordinance  Employee Information Report for the State of New Jersey  State of Maryland New Sales and Use tax License  CA State Seller's Permit 98-037902 00006  South Carolina Department of Motor Vehicles License Number 36133  State of South Carolina Retail License  Commonwealth of Kentucky Vehicle Dealer License 1583 20 100  State of West Virginia Dealer License  Commonwealth of Kentucky Vehicle Dealer License 1581 20 036  State of Tennessee Vehicle Dealer License</p>
17	<p>Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.</p>	<p>Not Applicable, none.</p>

**Table 3: Industry Recognition & Marketplace Success**

Line Item	Question	Response *	
18	Describe any relevant industry awards or recognition that your company has received in the past five years	National Auto Fleet Group's received its most prestigious award for Top Placement within Ford Motor Company as the leading dealership in Government Sales. In addition, our Chevrolet brand was highly ranked and honored 4/5 consecutive years by General Motors.	*
19	What percentage of your sales are to the governmental sector in the past three years	Within our fleet division, 90% of our contracts within the past three years have been with government accounts.	*
20	What percentage of your sales are to the education sector in the past three years	Within the past 3 years 90% of our sales have been to government accounts, 20% of which are within the education sector.	*
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	We hold the State of California contract with volumes from 200 to 500 units a year over the past three years. In addition, our Sourcewell Contract's 091219, 081716 and 120716 that we have maintained over the past three years has sold combined north of 400 million of Combined Quarterly Sales.	*
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	National Auto Fleet Group's focus lies on the Sourcewell Contract. NAFG holds no other GSA contract, Standing Offers, or Supply Arrangements other than the State of California contract. Our annual sales volume is estimated to be north of \$200 million.	*

**Table 4: References/Testimonials**

**Line Item 23.** Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Port of Los Angeles, CA	Mr. Dave Comer	310-72-3794	*
County of Venture, CA	Mr. Jorge Brilla	805-672-2044	*
City of Austin, TX	Mr. Matt Sager	512-978-2637	*
County of San Joaquin, CA	Mr. David Myers	209-468-9745	
City of Palo Alto, CA	Ms. Danitra Bahlman	650-496-5920	

**Table 5: Top Five Government or Education Customers**

**Line Item 24.** Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
City of Austin	Government	Texas - TX	Purchaser	10-15 Vehicles at once, Vans and SUVs	Over 1M	*
Los Angeles Department of Water and Power	Government	California - CA	Purchaser	Over 120 Vehicles, Vans and SUVs	Over 3M	*
Port of Los Angeles	Government	California - CA	Purchaser	Over 80 Trucks, Vans and SUVs	Over 2M	*
Anne Arundel County	Government	Maryland - MD	Purchaser	Over 40 Trucks, Vans and SUVs	Over 1M	*
City of San Diego	Government	California - CA	Purchaser	Over 500 Trucks, Vans, SUV'	Over 15M	*

**Table 6: Ability to Sell and Deliver Service**

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
25	Sales force.	<p>Our sales force consists of direct and an indirect sales force. Our direct sales force consists of direct employees and partner dealers, which exceeds an employee count of 300 personnel both full time and part time. Many of our sales force are spread across the US and we leverage our relationships with our larger class dealerships to service the members lower class vehicle needs as well. A cross sales force. These individuals help support our dealerships and NAFG Fleet Division directly. On the other hand, our indirect sales force made up of upfitters and partner suppliers consists of over 100 personnel with our partner network and sales force growing annually.</p> <p>With both direct and indirect sales force staff working together, NAFG has been able to successfully grow, maintain and service the demand of the members. As the number of your members grow, we will continuously welcome more staff to not only meet customer demand, but also to exceed customer expectations.</p>	*

26	Dealer network or other distribution methods.	<p>Our franchise network in Canada and the U.S. is fortunately second to none. Our 15 proposed OEMS previously mentioned, all of which have established a presence nationwide with factory stores strategically placed where all members can receive service and complete warranty repairs with their respective products.</p> <p>Simple put the North American and Canadian automobile supply chain network is one of the best in the world. Of the 15 brands we represent, the OEMs have put in place a dealer network across all 50 states that will allow us to best serve all members.</p>	*
27	Service force.	The 15 manufactures we represent have thousands of service locations that would be easily accessible to all your members. Service centers and warranty repair facilities for all 15 OEMs are ample and ready to help service our members and their needs. However, Alaska and Hawaii may be exceptions as they may have farther distances between franchises where members can utilize the repair services.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	The member may order their vehicles by navigating to our website, <a href="http://www.NationalAutoFleetGroup.com">www.NationalAutoFleetGroup.com</a> and going through the step-by-step process to generate an online quote or by calling one of our representatives at 855-289-6572 or by sending NAFG an email at <a href="mailto:Fleet@NationalAutoFleetGroup.com">Fleet@NationalAutoFleetGroup.com</a> . Orders are then processed directly to the manufacturer who will work to supply the vehicle to the ship-to location for upfitting or end user desired delivery location.	*
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>To best demonstrate our Customer Service program, kindly reference the ZIP file "Member Walk Through" that is attached in the Additional Documents folder. Please begin with and review in order that is explained below:</p> <p>How Members Can Get Quotes Online: A member can obtain most quotes by visiting our website <a href="http://www.NationalAutoFleetGroup.com">www.NationalAutoFleetGroup.com</a> where a simple one step form is needed for registration. This is to protect the price information from nonmembers. Once a member registers they will receive an automated welcome email with a demo video on how to use our site. Members will gain access to there very own dashboard which will house all there quotes in one safe secure login. Member's can select which brand they are looking for and model year. Our site shows all the categories the brand offers such as: Cars, Vans, SUV's Trucks and Chassis Cabs. Members will then be able to drill down for the right selection by picking from the filter menu of what cab there looking for (Regular, Extended or Crew) to 2 wheel or 4 wheel drive down to the bed length there looking for. All factory options are then presented for the member to select from, this will show all current factory orderable options, taking the guess work out for the member. Once a member selects a desire build, they will see there Sourcewell Price report showing the MSRP, there contract price, the saving in real dollars and as a percentage. In the PDF example you can see a saving of \$ 9,175.96 of 22.345% to the member showing a significant savings. Members then can chose to add extra's to there order like extra keys' service manuals, sales tax and even request an upfit to be added to there quote. Lastly they will be given a complete turn key quote package to print which will include there customized Quote ID, Description and Specifications of what they built.</p> <p>How Members and Upfitters can Partner with NAFG: Our dedicated website <a href="http://www.NAFGPartner.com">www.NAFGPartner.com</a> was built to accommodate the member who would like a certain upfitter to upfit there vehicles. It was also built for upfitters to have a place to go where they can find information on how to partner with NAFG to better serve there local members.</p> <p>Example of A Member with Upfit Quote: This is an example of how we use our Cab Chassis and combine them with an upfit to provide a turnkey solution for the member in a simple to follow format.</p> <p>ETA System for Members Walk Through: This is where members can easily come to our website, the same website they built there chassis on and track there order like they would a UPS package. We have a very simple display on our homepage "Track your order" where members can enter one of the following: Purchase Order Number, Quote ID, Upfit Quote ID or vin to easily see there in the process there particular order is in.</p> <p>Courtesy Confirmation Explained: After NAFG receives an order from a Member, we always like to send them a Courtesy Confirmation. This is were the member will double check some particulars on there order like, Color, Quantity, Upfit and Specification's are all correct before order placement. We also like to ask for title information at this point so we can help process the paperwork at delivery promptly.</p> <p>Factory Order Cut Off Notices: Here is were we like to highlight were members can access any upcoming factory order cut off dates. We walk them through the process step by step to ensure everyone knows the upcoming order cut off date, we even print this information (if known at the time) right on the cover page of there quotes.</p> <p>Validation Walk Through Example: To demonstrate a price validation, we show what a member would see when they build a truck on our site. At check out the member would see the Total Configured MSRP of \$ 35,730.00, A Sourcewell Price of \$ 27,331.68, Total Saving of \$ 8,398.32 or 23.505% for a 2020 F-250 followed by the pricing page which shows the Minimum Discount of at least 18.50%. As you see we provided an additional 5% discount on top of the 18.50% contract discount. This would be the case in most instances.</p>	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Our willingness and ability to service members nationwide is unparalleled. We have dedicated staff 5 days a week, from 7am to 7pm standing by ready to assist any member help find the best solution for there needs even if helping assist them to the best Sourcewell Contract that could be a solution. We have a dedicated live chat feature on our online quote generating website in case any member has any trouble at all in building there quotes. NAFG has established a chain of suppliers who are at the ready to serve if called upon by any member. We are here to help.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are willing and eager to soon extend our business model and network into Canada. We believe partnering with local Canadian based dealer groups is key to success in the Canadian market. NAFG's competitive pricing as well as a simple US Dollar to Canadian conversation will help NAFG expand into the Canadian market for participating Sourcewell members.	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	National Auto Fleet Group will handle servicing 100% of all geographic areas located in the United States. Although it is unclear what unseen obstacles we may face in Canada, NAFG is committed to building the same model to service Canada and providing the same level of customer satisfaction, service, and care as in the United States.	*

33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	NAFG will continue to service all Sourcewell Members through our 24 hour a day, 7 days a week online portal with the exclusion of Non-Profits. Unfortunately, Non-Profits are often not eligible for the same discount's government entities are qualified for. However, Non-Profits are subject to a different pricing program and will be evaluated on a case to case basis.	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	The only possible logistical constraints we may face is the shipping constraints for shipments arriving in Alaska, Hawaii and US Territories. For example, we often provide members in Alaska or Hawaii with vehicles that often have upfits. To circumvent this potential issue, members allow us to add these extra shipping and port costs to their quotes.	*

Table 7: Marketing Plan

Line Item	Question	Response *
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>National Auto Fleet Group encompasses a variety of marketing strategies to promote our products and services to streamline the vehicle purchasing process for government entities. Below are a few strategies used to serve as the gateway between our business and public agencies.</p> <p>Website and Inbound Marketing: The creation of a professional customer-focused website is one of our main features to market our products and services. The NAFG website encourages our members to interact and browse through products offered along with pricing and information about National Auto Fleet Group. Inbound marketing is created when potential members are directed to the company website. With this method, we are able to not only connect with members but to put the purchasing ability into the hands of each member. Our inbound marketing strategy attracts members by creating valuable content and experiences tailored to the needs of each individual. Examples include email campaign flyers on our products, informative and how-to videos, social media and engaging members with top-notch customer service to build brand awareness.</p> <p>Email Marketing: One of the main strategies used to engage current and potential members is Email Marketing. Our emails include different types of flyers that consist of information of the Sourcewell contract, promoting manufacturer brands, holiday themed flyers, discounts offered to first time buyers, important cutoff date reminders and upcoming products and events.</p> <p>The use of marketing campaigns plays a major role in enhancing the growth of our client database. Emails are a big part of our daily lives due to government agency employees utilizing emails as their main source of communication. We use campaigner.com as the emailing platform to reach our target members. Videos and descriptive images are used on all flyers and are compatible with a desktop or mobile device. Messages are short and to the point with links leading to the Sourcewell and NAFG homepage. The Campaigner email system allows the ability to track email activity based on open rate, unsubscribes and link clicks which is beneficial to understanding email effectiveness.</p> <p>Once potential members are directed to our website, they are welcomed with a wide range of options to explore an array of our products and services. They are able to register to become a member, view pricing, explore available in-stock vehicles, view how-to-videos, build a vehicle online to request an immediate quote or use our live chat assistant or call/email for live support.</p> <p>Face to Face Marketing Strategies: This strategy has proven to be successful in generating leads and creating lasting relationships by developing genuine connections with prospective members. National Auto Fleet Group attends several trades shows per year to engage members and put a face to the company. This in person meeting aids to build the brand by nurturing relationships between members and other vendors associated through the process. Trade shows attended include GFX, IAPPO, NIGP, ACT, CAPPO, and CASBO throughout the United States.</p> <p>NAFG has many opportunities to make in person presentations to propose products, services offered and to answer any questions potential members may have. These PowerPoint Presentations include topics on NAFG/Sourcewell process, how to facilitate the vehicle purchasing without bidding, informational videos, and the brands and services we provide. These meetings have been held at local cities, counties, school districts, water districts and ports.</p> <p>Relationship Marketing is a vital strategy used in building and maintaining long-term relationships practiced by National Auto Fleet Group on a daily basis.</p> <p>NAFG strives to create a positive and supportive connection with members by providing personalized and responsive customer service practices. The sales team has worked tirelessly to focus on providing outstanding customer support to create a powerful rapport with existing and new members. By going above and beyond, they have enhanced existing relationships and executed customer loyalty with repeat businesses. They strive to deviate from the "Car Salesperson" mentality which is 100% sales driven to a more product and customer service approach by instilling a sense of confidence in our clients. The goal is to regularly assist clients and address any needs and concerns even after the purchase has occurred. The strive to focus on solution selling vs. product selling develops into a mutually beneficial agreement for members and the business.</p> <p>Below are a few examples on successful relationship marketing from our Fleet Department:</p> <p>We had a member call in to request financing/lease options for a truck needed through our National Auto Fleet Group/Sourcewell vehicle contract. I contacted another Sourcewell vendor, Matt Geiselhart from NCL Gov Capital and he was happy to assist with a financing quote. The member also requested to trade in a current vehicle in their fleet and was directed to Govdeals for assistance in removing the outdated unit through an auction. The member was able to utilize three Sourcewell contracts to complete his transaction which simplified the entire process. The member was very satisfied with the amount of care and ease through his experience and became a repeat customer. By utilizing a cross-selling strategy, National Auto Fleet Group became his one stop shop to fulfill all fleet vehicle purchasing needs.</p> <p>"I had a member call in desperate to obtain a new truck because an employee had gotten into a serious accident and had the truck totaled. Due to covid restrictions, most manufacturers are currently experiencing microchip shortages which relays to production delays at the factory. We were able to direct buyer to our in-stock inventory on the NAFG website and member was ecstatic to locate truck to meet their needs. Instead of having to wait 30 weeks to receive the new vehicle, member was able to obtain the new truck within 3 weeks."</p>

"I once had a member contact us two years after purchasing a vehicle from us. They had a malfunction with the liftgate on the box truck which caused a logistical nightmare. I was able to contact one of our body vendors that upfitted the lift gate installation and a service technician was able to go onsite to resolve the liftgate issue at no additional cost. The member was very impressed with the quality of our customer service even after purchase. "

"I had a member request a ¾ ton truck pricing but was unsure about their budget at the time. I took the time to go through each option with the client to provide a Sourcewell pricing quote through multiple manufacturers from Ram, Chevrolet and Ford. This empowered the member to have multiple pricing options for review to align with their budget as well as eliminating the need to shop anywhere else. "

"We work with many body companies to assist customers with the body upfitting process. One of our members called in a request to expedite a particular vehicle that was held up at one of their local body upfitters. I contacted the body company representative and put in a request to expedite the upfitting per request of the member. The body company was able to comply with the request and delivery was made sooner than expected."

Word-of-Mouth Marketing: The positive quality of service has led to more sales based on previous customers' impressions on their experience. NAFG's goal is to provide exemplary customer service throughout the entire purchasing process to encourage repeat business and advocate services to other members. NAFG has been fortunate to experience multiple instances of leads generated based solely on word-of-mouth marketing through our existing customers.

Cross-promotion: National Auto Fleet Group is currently collaborating with another Sourcewell Vendor, NCL Government Capital to promote each other's products and services. NCL Government Capital specializes in providing competitive equipment financing programs for municipalities and public education entities across the United States. As a team, NCL and NAFG produced a variety of marketing materials such as videos, flyers and info graphs to promote purchasing and leasing opportunities.

Hoglund Bus Company is another cross-promotion vendor NAFG had the opportunity to create a partnership with. Flyers were created to advertise Chassis from NAFG along with a variety of bus bodies from Hoglund Bus Company.

With cross-promotion, companies exchange knowledge and provide endorsements on websites, social media, and email campaigns. This strategy creates an influx of new leads, brand awareness, increased sales and recurrence of customers. National Auto Fleet Group will continue to create new partnerships and facilitate more cross-promotion opportunities in the near future to provide turnkey solutions for a variety of vehicle purchasing needs.

Coming in 2022, National Auto Fleet Group will be launching a NAFG Partner Website to further increase business growth. The website [www.nafgpartner.com](http://www.nafgpartner.com) is expected to launch next year in 2022. The site encourages body upfitting companies throughout the United States to partner up with NAFG to become a preferred member. The benefits of becoming a preferred member include endorsements on website and social media avenues along with word-of-mouth referral for clients with upfitting needs. Our dedicated public relations representative will conduct phone and in person meetings to discuss the advantages of partnering up with NAFG, therefore generating more cross-promotion opportunities.

Members from government agencies are encouraged to go on the site to search for local body upfitting companies they are interested in working with. As a prerequisite in becoming a preferred vendor, they are required to advertise NAFG and the Sourcewell contract on their business website and refer their clients to purchase their cab/chassis needs through NAFG. This establishes a partnership that will generate increased sales all around. We are still currently building the website and interacting with body companies across the United States that would be interested in partnering up with NAFG.



36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	<p>Social media plays a crucial element in the way people communicate and connect with each other. LinkedIn is the go-to platform used by NAFG as it offers a variety of ways to expand our network by locating and connecting with relevant professionals in the industry. National Auto Fleet Group has utilized LinkedIn to engage current and potential members through personalized messages and posts. Personalized messages include thanking them for registering on site as well as directing them to our link to the website, LinkedIn, YouTube, Facebook and Instagram company pages. The goal is to unite with people already on our database as well as people that would benefit from our products and services. Current flyers or messages about our company are also posted on the LinkedIn site to generate and attract more business. Time is also spent on reading posts from connections and observe any needs that National Auto Fleet Group may assist with.</p> <p>National Auto Fleet Group has begun utilizing video marketing strategies to further promote and market products by engaging on social media channels and email flyers. Programs such as Vimeo, Video Scribe, Cartoon Animator, Adobe Animate, Illustrate, Captive, Photoshop and Movavi Video Editor Plus are employed to edit and create videos to assist in endorsing our company. The following videos were recently created by our marketing department along with outside video production companies:</p> <p>Explainer Video: The first video created was a 90 second explainer video about National Auto Fleet Group that used animated characters to visualize our products and services along with information on the Sourcewell awarded contract. The video has been incorporated into all our weekly email flyers and social media platforms as an informative video on our products and how to purchase vehicles off Sourcewell Government Contract.</p> <p>How To Videos: National Auto Fleet Group has also created step-by-step How-To videos on the process to purchase both Light Duty and Heavy-Duty vehicles off the contract.</p> <p>In Stock Vehicles: This video showcases our in-stock vehicles available and the process of requesting a quote.</p> <p>ETA Tracking System: This video was created to not only introduce but to encourage clients to self-track their vehicle status.</p> <p>Holiday Themed Videos: These amusing videos were created to celebrate the holidays and add humor and lightness to our company and products sold.</p> <p>Cross Promotion Video: This video markets our relationship with NCL Government Capital and Sourcewell to endorse EV vehicles.</p> <p>Videos for social media: Mini videos were created to advertise new vehicles available, pricing and cutoff date reminders.</p> <p>NAFG has recently introduced a newly built live chat feature on our website for customer convenience as well as improving customer service. Visitors have access to chat with a live sales representative 24 hours a day, 7 days a week. With this feature potential customers are provided with another avenue for assistance in addition to emailing and phone calls. The benefits of a live chat option include quicker response time to assist buyers in reaching a purchasing decision and answer their questions.</p> <p>Improving customer service will also lead to increased sales, customer loyalty and engagement. Many studies have shown a strong correlation between live chat and increase in conversion rates. Potential clients appreciate having their questions answered in real-time when trying to build a vehicle quote online and allowing the user to multi-task different projects.</p>
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	<p>Sourcewell's mission states: "Our commitment to service and exceeding client expectations." This statement integrates with our relationship marketing strategy with our commitment to go above and beyond for all our members. Sourcewell is a trusted brand that government entities can rely on to access a wide variety of products and services for their everyday needs. With over 40 years of partnerships and relationship building, they are the glue that connects government, education, and nonprofit agencies to companies of all sizes to offer turnkey solutions to their needs.</p> <p>Sourcewell is also a reliable resource for vendors by not only connecting with potential prospects but by providing valuable marketing materials readily available for download on their website. Resources and tools provided include flyers, vendor training videos along with compliance information.</p> <p>The Sourcewell brand integrates a thorough documentation review of all vendors prior to awarding their cooperative contracts to ensure products and services are from reputable vendors. The brand provides a sense of legitimacy of our company name and members recognize that products and services are from reliable sources that will meet their needs.</p> <p>Sourcewell's aim is to simplify the purchasing and procurement process of government entities by eliminating the costly bidding procedure. The process of researching the right vendor is not only stressful and time-consuming but can be expensive as well. Sourcewell has completed the bidding for government entities which simplifies the overall purchasing process by providing access to competitively bid contracts procured by a government agency.</p> <p>Sourcewell has provided NAFG with overwhelming opportunities to work with government agencies across the United States. The Sourcewell name represents a high standard of integrity and ethics which is a dynamic National Auto Fleet Group is proud to be part of. Sourcewell members have access to a contract that is more flexible than the standard bidding process. Sourcewell is an organization that aids government entities to stay competitive without the frustrations and issues involved with the traditional bidding process. This contract can be customized to meet the unique needs of each client. The sales team has incorporated not only this standard of integrity in their sales practice ensuring clients' purchasing needs will always be met. The cost savings and stress-free nature of the cooperative contracts favors that of the traditional bidding process. It enables vendors to work with qualifying government entities in a more efficient manner. We vow to maintain these levels of standards across the board throughout all departments within the company.</p>

38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	<p>Our website provides a hands-on empowering approach to ordering vehicles online. Clients can search through many vehicles makes and models with the ability to customize a vehicle tailored to their specific needs of their agency. A personalized quote with pricing can be available in as little as 5 minutes depending on the complexity of the vehicle. If upfitting is needed, the buyer can list the details of the up-fit while building their vehicle on our website to receive a complete quote or a sales representative can be reached through phone, email or our new live chat feature built on our website.</p> <p>We have recently created and uploaded a "How-To Videos" section on the homepage of our website which highlights a step-by-step process on how to build an online quote. This informative video demonstrates how to navigate the website in how to generate a vehicle quote with or without upfitting options. It begins by explaining how to register on our website as a member and then details on how to select vehicle model and type and the factory options needed.</p> <p>Once a customized quote is built, clients have the option to finalize the sales transaction by submitting a purchase order to our sales team via email. This gives complete autonomy to the client to purchase vehicles without the need to speak to a sales rep. If assistance is needed, they can contact sales through email, live chat or phone.</p> <p>If assistance is required to build a quote, our sales rep is also available to walk a client through the e-procurement process step by step. This ensures someone is available to answer any questions if needed and empowering the client to make any future purchases on their own. Clients may also call or email the needs of the company and receive a customized vehicle quote.</p>	*
----	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---

Table 8: Value-Added Attributes

Line Item	Question	Response *	
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	National Auto Fleet Group extends any and all product, equipment, maintenance and operating programs provided by the Manufacturer directly to Sourcewell participating entities during the quoting process. The manufacturer will provide quotes to the member based on the vehicles class and size, and geographic location. NAFG will always pass these quotes onto members and treat them like an upfit to the vehicle.	*
40	Describe any technological advances that your proposed products or services offer.	Technological accomplishments by Manufactures like Ford Motor Company and General Motors serve members by keeping many models available for members to choose from. Additionally, NAFG allows members the ability to choose to electrify their vehicle by opting into the Motive Power Systems we can still help supply this kind of an upfit. For more information, we have attached the product and pricing information within the "Upfits Available" and "All 15 Manufactures" ZIP files under the supporting documents portion of the application.	*
41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	. National Auto Fleet Group helped create the Climate Mayor Purchasing Collaborative by partnering with over 400 Mayors nationwide. This initiative was created for the benefit of members who wanted to create and sustain an all-electric fleet. We offer 100% purely electric vehicles your members to choose from. Some popular models include the Chevrolet Bolt, Ford Fusion, Ford Mustang Mach-E, as well as Ford's all electric F-150. We are confident that as more OEM's continue to manufacture new electric vehicles, we will provide them for members to select from. More information about this initiative can be found at <a href="http://www.Driveevfleet.org">www.Driveevfleet.org</a>	*
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	NAFG has the California Air Resource Board (CARB) Certificate as well as the Ford Qualified Vehicle Modifier Certificate on file with some of our partner suppliers and upfitters hold these certifications and these certifications help illustrate how each vehicle conserves energy and remains energy efficient.	*
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	NAFG holds a current partnership with many suppliers some of which are veteran owned such as Pacific Truck Body located in CA. Our Ford, Chevrolet and Ram,Jeep,Dodge,Chrysler stores are jointly owned and operated by Minorities.	*
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	. National Auto Fleet Group was not only built on dedication and hard work, but also through quantifiable metrics that directly measure the results of our efforts to ensure real goals are being measured and met. Through measuring results, NAFG takes responsibility in ensuring we deliver only the best customer care to your members. NAFG offers members 24 hour website access to customer support to personally walk members through any questions they may have. No matter what the issue may be, we always think outside the box to help members find a solution.	*

**Table 9A: Warranty**

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
45	Do your warranties cover all products, parts, and labor?	Each of the 15 manufactures we represent cover their own products, parts, and labor. All warranty information may be found in our attachments under the ZIP File "All 15 Manufactures".	*
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Prior to purchase, members should be aware of each manufacturer's restrictions. Such as improper use of the vehicle may result in disqualification of coverage under the OEM's warranty. An example of this may be an F-350 being used for a police related pursuit, which may void certain warranties. Although, we always welcome and encourage members to contact us for their particular warranty coverage.	*
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	In some cases, manufacturers will tow a member's vehicle to the nearest warranty repair facility in case of a breakdown and cover expenses, but prior approval is required.	*
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	This may vary from manufacturer to manufacturer. Thus, we encourage members to call in prior to purchase and inquire about their specific region and how their warranty repairs will be covered with their manufacturer.	*
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	All warranties are typically passed on to the original equipment manufacturer and any upfit warranty will be passed on to the upfitter to perform.	*
50	What are your proposed exchange and return programs and policies?	If a member changes their mind, NAFG will quickly make every effort to change or cancel the order with the factory. However, once the manufacturer begins producing the vehicle, there are no changes, exchanges, or refunds available. The order is then deemed non-cancellable. This includes any upfit equipment an upfitter has ordered for the unit.	*
51	Describe any service contract options for the items included in your proposal.	NAFG offers any and all manufacturer service contracts for all members. There are several parameters in which a service contract may be customizable. These customized service contracts will be treated as add factory options and following the same discount schedule provided in the pricing file.	*

**Table 9B: Performance Standards or Guarantees**

Describe in detail your performance standards or guarantees, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your performance materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
52	Describe any performance standards or guarantees that apply to your services	The only guarantee we can ever provide is the guarantee that we will treat and help every member that contacts with respect, integrity and professionalism.	*
53	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	NAFG and staff uphold high standards with how we provide service to the members, not only holding each other accountable but by embracing member feedback of how we can improve. Then we act upon it and implement improvements.	*

**Table 10: Payment Terms and Financing Options**

Line Item	Question	Response *	
54	Describe your payment terms and accepted payment methods?	Standard payment terms are Net 20, with a 10 – day grace period.	*
55	Describe any leasing or financing options available for use by educational or governmental entities.	. In order to provide leasing or financing options, NAFG has partnered with National Cooperative Leasing to offer leasing terms for Sourcewell members for all NAFG quotes under the Sourcewell contract. For further review, we have attached a PDF called "NCL Sample Lease" in the "Member Walk Through" Zip file.	*
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	National Auto Fleet Group's transaction process (Purchase Order) is closely tracked, well documented, and neatly organized to monitor each transaction performed through our Sourcewell Contract. This way, NAFG may produce swift and accurate quarterly reporting.	*
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes, NAFG accepts up to \$2,500 per vehicle. However, any dollar amount higher than \$2,500 will require a P-card/ Credit Card transactional fee that would be passed onto the member	*

**Table 11: Pricing and Delivery**

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcwell Price and Product Change Request Form.

Line Item	Question	Response *	
58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	National Auto Fleet Group is offering Line-Item Discounts Off Manufacture Suggested Retail Price for 15 manufacturers that is detailed in the Price File. NAFG will also offer any Upfits to be added to any and all vehicles' that members wish to add. Details are located on the Price Summary Page in the Price File.	*
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	NAFG has an provided offerings from 15 Brands/OEMS and there respective percentage off vary and are detailed in the "Price File" zip  Each Manufacture Range is detailed in the tabs below, here is an overview Chevrolet from -.077 to 24.45 % Ford Motor Company from -5.19 to 23.31 % GMC from 6.14 to 22.45 % Ram from 4.99 to 14.23 % Dodge from 3.09 to 9.96 % Jeep from 1.38 to 4.17 % Chrysler from 1.65 to 4.55 % Toyota from .03 to 8.98 % Honda from 1.34 to 4.9 % Nissan from -.085 to 14.61 % Buick from 2.36 to 6.08 Kia from .69 to 8.39 % BMW from 3.8 to 4.77 % Cadillac from 4.22 to 6.77 % Volkswagen from 2.17 to 2.46 %	*
60	Describe any quantity or volume discounts or rebate programs that you offer.	If clients are considering an order of 150 or more units, we encourage members to contact us for any additional discounted quotes.	*
61	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	"Open Market" products or "Sourced Goods" will be considered and treated as regular upfits. However, they may be quoted up to a 10% mark up, if applicable.	*
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	All considerations have already been taken into account in its entirety. The Price Summary Page and Price Table contained in the price file includes all considered costs. Although if a member requested a specialized quote for a unique situation that requires special training, direction, or installation, the additional costs would be added as a part of the upfit and then included inside the member's quote.	*
63	If freight, delivery, or shipping is an additional cost to the Sourcwell participating entity, describe in detail the complete freight, shipping, and delivery program.	All manufactures charge a standard "Factory Destination Charge". However, that is separate from the freight/destination cost that members may incur to ship a vehicle to and from an installer, if applicable. These subsequent locational movements may bare additional freight costs that will be outlined within the members quote for their review prior to purchase.	*
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight, shipping, and delivery terms among these regions sometimes carry additional logistical charges for added ferry, port and driver costs from both to and from the mainland. These added costs will be disclosed on the quote for members to review and approve prior to purchase.	*
65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	National Auto Fleet Group already has a well-established Automobile Franchise Distribution Network that allows for swift and relatively seamless delivery to members and their end users.	*

**Table 12: Pricing Offered**

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	NAFG Strives to offer the best overall value to the member with each and every quote.

**Table 13: Audit and Administrative Fee**

Line Item	Question	Response *
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Sourcewell participating members are able to obtain proper pricing directly from our website, where they are able to use our user-friendly design to build and price their vehicles. The NAFG is updated daily to reflect updated manufacturer MSRP information. Our system will provide members with an accurate quote 99.99% of the time. In addition, NAFG has a stream line and organized process that calculates administrative fees and allows NAFG to give a turnaround time of 15 – 30 days for quarterly reports.
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	One of the internal metrics NAFG uses to track and measure success with the Sourcewell Contract is maintained through our website. Our website keeps a detailed log of quotes that members are generating. We oversee and keep track of how many quotes are being generated and which quotes are met with a purchase order. Every month we evaluate our sales indicators and closely monitor the volume and frequency of sales. One example is by evaluating which members are purchasing from our platform – new members or frequent members to ensure we are growing our member base. We use these metrics to measure our projected growth rate and work to exceed our expectations.
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	NAFG will submit \$ 300 per vehicle purchased through NAFG and \$ 200 per vehicle purchased through our partner dealer Alan Jay Automotive. For the purpose of an admin fee there are no other partner dealer groups considered.

**Table 14A: Depth and Breadth of Offered Equipment Products and Services**

Line Item	Question	Response *
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	NAFG has provided a "Model Roll Out" Charts in the "Price File" zip, but of the 15 manufacturers we represent, they have over 100 makes and models for members to choose from that range from Class 1-3 and supporting Class 4 Cab and Chassis trucks. NAFG's platforms can add any upfit of their choosing, ranging from toolboxes to Line Mechanic Bodies. Any and all upfits can be added to any one of our vehicles through one of our upfit partner suppliers or by an upfit supplier of the members choosing. NAFG and the supplier will work together to supply members with turnkey quotes.
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	National Auto Fleet Group lists the makes and models of all 15 manufacturers we represent under the ZIP File "All 15 Manufacturers". These 15 OEMs make up over 100 combined makes, models, and engine combinations for members to select from along with several subtitle "Upfits" detailed for members in the price file.

**Table 14B: Depth and Breadth of Offered Equipment Products and Services**

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
72	Automobiles	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
73	Sport Utility Vehicles	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
74	Vans	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
75	Trucks	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
76	Vehicles described in Lines 72-75 above for Public Safety applications	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
77	Conventional internal combustion models	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
78	Natural gas or propane autogas, hybrid, or alternative fuel models	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models
79	Electric powered models	<input checked="" type="radio"/> Yes <input type="radio"/> No	15 Manufacturers totaling well above 700 makes and models



Table 15: Exceptions to Terms, Conditions, or Specifications Form

**Line Item 80. NOTICE:** To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
  2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
  3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
  4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
- [Pricing](#) - NAFG Price File for Bid 091521.zip - Monday September 13, 2021 19:29:27
  - [Financial Strength and Stability](#) - Market Success and Financial Stability.zip - Monday September 13, 2021 19:30:12
  - [Marketing Plan/Samples](#) - Marketing Plan Compressed.zip - Tuesday September 14, 2021 11:38:30
  - [WMBE/MBE/SBE or Related Certificates](#) - Insurance and Related Documents.zip - Tuesday September 14, 2021 11:40:18
  - [Warranty Information](#) - Warranties RFP 091521.zip - Tuesday September 14, 2021 11:40:36
  - [Standard Transaction Document Samples](#) - Standard Transaction.zip - Monday September 13, 2021 19:54:48
  - [Upload Additional Document](#) - ALL 15 Makes and Upfits.zip - Tuesday September 14, 2021 11:35:54

**Addenda, Terms and Conditions****PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE**

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
  1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
  2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
  3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jesse Cooper, Fleet Manager, 72 Hour LLC

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

☒ Yes ☐ No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum**" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
<b>Addendum_6_Autos_SUVs_Vans_Trucks_RFP_091521</b> Wed September 8 2021 06:27 PM	<input checked="" type="checkbox"/>	1
<b>Addendum_5_Autos_SUVs_Vans_Trucks_RFP_091521</b> Tue September 7 2021 07:28 PM	<input checked="" type="checkbox"/>	2
<b>Addendum_4_Autos_SUVs_Vans_Trucks_RFP_091521</b> Thu August 26 2021 05:55 PM	<input checked="" type="checkbox"/>	1
<b>Addendum_3_Autos_SUVs_Vans_Trucks_RFP_091521</b> Mon August 23 2021 09:47 AM	<input checked="" type="checkbox"/>	1
<b>Addendum_2_Autos_SUVs_Vans_Trucks_RFP_091521</b> Sun August 8 2021 09:02 PM	<input checked="" type="checkbox"/>	1
<b>Addendum_1_Autos_SUVs_Vans_Trucks_RFP_091521</b> Thu August 5 2021 03:58 PM	<input checked="" type="checkbox"/>	1

**Form C****EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,  
AND SOLUTIONS REQUEST**Company Name: 72 Hoot LLC, DBA National Auto Fleet Group

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS
<u>N/A</u>		<u>None taken</u>	

Proposer's Signature: Date: 12-5-16**NJPA's clarification on exceptions listed above:**

Contract Award  
RFP #120716

**FORM D**



**Formal Offering of Proposal**  
(To be completed only by the Proposer)

VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES

In compliance with the Request for Proposal (RFP) for VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

72 HOOT LLC, DBA

Company Name: National Auto Fleet Group Date: 12-5-16

Company Address: 490 AUTO CENTER DRIVE

City: WATSONVILLE State: CA Zip: 95076

Contact Person: JESSE COOPER Title: FLEET MANAGER

Authorized Signature: [Signature] JESSE COOPER  
(Name printed or typed)



**FORM E****CONTRACT ACCEPTANCE AND AWARD**

(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

NJPA Contract #: 120716-NAF

Proposer's full legal name: 72 Hour LLC, dba National Auto Fleet Group

**Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.**

The effective date of the Contract will be January 17, 2017 and will expire on January 17, 2021 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

**NJPA Authorized Signatures:**

  
NJPA DIRECTOR OF COOPERATIVE CONTRACTS  
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz  
(NAME PRINTED OR TYPED)

  
NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette  
(NAME PRINTED OR TYPED)

Awarded on January 16, 2017

NJPA Contract # 120716-NAF

**Vendor Authorized Signatures:**

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name 72 Hour LLC, National Auto Fleet Group

Authorized Signatory's Title Fleet Manager

  
VENDOR AUTHORIZED SIGNATURE

Jesse Cooley  
(NAME PRINTED OR TYPED)

Executed on 1-16, 2017

NJPA Contract # 120716-NAF



**PROPOSER ASSURANCE OF COMPLIANCE**



**Proposal Affidavit Signature Page**

**PROPOSER'S AFFIDAVIT**

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

**[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: 72 HOCT LLC, DBA National Auto Fleet Group

Address: 490 Auto Center Drive

City/State/Zip: Watsonville, CA 95076

Telephone Number: 855-289-6572

E-mail Address: JCooper@nationalautofleetgroup.com

Authorized Signature: [Signature]

Authorized Name (printed): Jesse Cooper

Title: Fleet Manager

Date: 12-2-16

**Notarized**

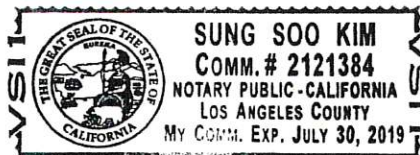
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Subscribed and sworn to before me this 2 day of December, 2016

Notary Public in and for the County of Los Angeles State of California

My commission expires: July 30, 2019

Signature: [Signature]





## **Form P**

### **PROPOSER QUESTIONNAIRE**

#### **Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions**

Proposer Name: National Auto Fleet Group \_\_\_\_\_

Questionnaire completed by: Jesse Cooper \_\_\_\_\_

#### **Payment Terms and Financing Options**

- 1) What are your payment terms (e.g., net 10, net 30)?

Net 30

- 2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

Absolutely. We provide both municipal financing and municipal leasing available to all NJPA members in every state. We use National Cooperative Leasing, Diversified Leasing and NAFG Provided leasing options to all NJPA Members.

- 3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.

There are two methods. One is the electronic ordering process, where the member logs into our website located at [www.nationalautofleetgroup.com](http://www.nationalautofleetgroup.com), builds their desired vehicle to their specifications, and then electronically sends us a purchase order. The vehicle is delivered directly to the user's specified end-user address, then we FedEx the customer all the appropriate documentations.

The other method, should the customer not be comfortable with internet or the use of our website, is where the member calls our toll-free number at 1-855-289-6572 and is greeted by one of our sales associates, who then creates a quotation based on the customer's needs and either emails, faxes, or physically mails it to the customer. The customer then sends us a purchase order. We then process the purchase order and deliver the vehicle to the customer's specified location.

We have reported directly to NJPA for the last 22 consecutive quarters.

- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process?

Yes, we do accept the P-card procurement and payment process, and there is no additional cost for using it.



## **Warranty**

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.
- Do your warranties cover all products, parts, and labor?
  - Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
  - Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
  - Are there 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?
  - Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
  - What are your proposed exchange and return programs and policies?

The manufacturer's warranties are all written between the manufacturer and the NJPA member. Therefore, should a warranty repair be required, the member merely needs to take the vehicle to the closest manufacturer franchise (i.e. Ford, Toyota etc.) If the vehicle is not drivable, the customer can notify us through our toll-free number at 1-855-289-6572 and we will have it towed to the nearest facility. All this is done at no cost to the member. There are no conditions to qualify. Any new vehicle qualifies. The manufacturer's warranty does include labor and parts. Other than abuse, there are no restrictions or limitations that affect coverage. All warranty repairs are done in the manufacturer's facilities, thus there is no travel time for technicians. Warranty repairs are all performed in all 50 states, regardless of location. Any after-market accessories installed under our contract are covered by the written warranty for both parts and labor for the after-market installer, who provided them. There is no return policy. If a vehicle is no longer needed by the member, a 25% restocking charge can be imposed.

- 6) Describe any service contract options for the items included in your proposal.

We offer a multitude of service contracts and extended warranties, running all the way up to 250,000 miles. The cost, term, and coverage are determined by the mileage and term. Contact us directly for a quote.

## **Pricing, Delivery, Audits, and Administrative Fee**

- 7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

All of our pricing, by manufacturer, is listed in the attached books 1-18, outlined in our price summary along with our after market equipment categories.

- 8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

Utilizing a Percentage Off MSRP / LIST method, NAFG can offer NJPA members discounts ranging from 25.86% down to 1% across the 15 manufacturers depending on model. Please

see Tab 2 as well as Attachment Book 2-18 for "Pricing." We detail the addition of All Factory Options and After Market Equipment.

- 9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

The percentage will vary on the very same product from state to state as the discount structure passed onto us by the manufacturers can vary from state to state. Therefore, we have included in the 18 attachment A's / Books the exact manufacturer's list price and our price side by side. This fixed pricing makes it easy to do price validations. In addition, all factory installed options can be added at factory invoice + 3% and all after-market accessories are offered at the up fitter's municipal pricing level which varies from 1-30% off of retail prices.

All of our pricing is based on 2017 year model. Any subsequent year model in the contract will be a maximum of 3% more + any required governmental, safety, emissions requirement as mandated by the federal or Canadian government.

- 10) The pricing offered in this proposal is

- ☐ a. the same as the Proposer typically offers to an individual municipality, university, or school district.
- ☐ b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- ☐ c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- ☒ d. other than what the Proposer typically offers (please describe).

Our bid price is the most competitive price on the marketplace. It is far lower than any individual or other cooperatives have available to them. We leverage our entire company-wide purchasing power to the benefit to the NJPA member. Last year alone, company-wide, we delivered over 34,000 vehicles, which is the driving force that allows us to obtain deep discounts from all original equipment manufacturers and deliver the savings to the NJPA member. We don't think any other vendor can do that.

- 11) Describe any quantity or volume discounts or rebate programs that you offer.

They are all included in our bid price.

- 12) Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.

Included in our bid are the base prices for all vehicles. Factory options can be added at +10%. All sourced goods are offered at the up fitter's municipal pricing level which varies from 1-30% off of retail prices.

- 13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

There are no hidden or undisclosed costs in our proposal. All costs are legitimate and fully disclosed to the NJPA member.



- 14) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program.

There is no additional cost. All shipping is included in the original quote to the member.

- 15) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Shipping to Alaska or Hawaii can be one of two ways. Either from the assembly point directly to the franchise dealer in Alaska or Hawaii, or if the NJPA member requires a lower 48 state specialized body installation, then freight is calculated from the Port of Long Beach, Port of Los Angeles, or the Port of Seattle, Washington. It is included in the original NJPA member quote.

- 16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

To us, these are not unique. We have been doing this for years, and we continue to do this every day. Our competitors do not have that advantage.

- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA.

We have an in-house financial administrator who monitors that on a daily basis. In addition, we bring in twice a year, Polmaris and Associates (an independent certified public accountant from Sacramento, California) to review all payments and disbursements.

- 18) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

- 1) 1% of the unit price is up to \$700.00 other than "related equipment" pass through items
- 2) Total amount in any 12-month period will not exceed \$4,500,000.00 in Administration Fees
- 3) NAFG reserves the right to waive all or in part the Admin Fee when faced with a large county of State competition and or faced with unusable circumstances.

### **Industry-Specific Questions**

- 19) Identify any features in your response that are different from your standard vehicle offering or that are unique to your proposal.

Our proposal is unique primarily in the fact that we are the only ones that have the order to deliver online system available exclusively for your members. None of the other bids you are reviewing today can state that.

- 20) Demonstrate your processes to handle vehicles on order with NJPA members that are subject to a recall or that have open service campaigns.

Our staff keeps a running list of open recalls by manufacturer. We cross check it on a weekly basis to try and ensure that none of your members receive a vehicle with an open our outstanding recall or campaign.



- 21) Demonstrate your NJPA member communication processes from P.O. generation to the delivery of vehicle in order to meet member expectations.

After the PO is issued to NAFG we send our client an order confirmation with an estimated time of arrival for the purchase. We give members the option of how frequently they would like updates on their vehicles, as well as communicating any complications along the way. Our staff communicates through any form that customers feel comfortable with, whether it is faxes, calls, or emails. When the vehicle is ready to be delivered, we give the customers advance notice to ensure they are ready to receive the vehicle. All vehicle paperwork documents are sent out via UPS, and tracking numbers are provided to the client.

Signature: \_\_\_\_\_



Date: \_\_\_\_\_

12-6-16

## Letter of Agreement To Extend the Contract

Between

**72 Hour LLC, dba National Auto Fleet Group**  
**490 Auto Center Dr.**  
**Watsonville, CA 95076-3726**

And

**Sourcwell**  
**202 12<sup>th</sup> Street NE**  
**Staples, MN 56479**  
**Phone: (218) 894-1930**

The Vendor and Sourcwell have entered into an Agreement (Contract #120716-NAF) for the procurement of Vehicles, Cars, Vans, SUVs, and Light Trucks with Related Equipment, Accessories and Services. This Agreement has an expiration date of January 17, 2021, but the parties may extend the Agreement for one additional year by mutual consent.

The parties acknowledge that extending the Agreement for another year benefits the Vendor, Sourcwell and Sourcwell's members. The Vendor and Sourcwell therefore agree to extend the Agreement listed above for a fifth year. This existing Agreement will terminate on January 17, 2022. All other terms and conditions of the Agreement remain in force.

### Sourcwell

DocuSigned by:  
By:  \_\_\_\_\_, Its: Director of Operations & Procurement/CPO  
C0FD2A139D06489...

Name printed or typed: Jeremy Schwartz

Date 6/17/2020 | 1:32 PM CDT

### 72 Hour LLC. dba National Auto Fleet Group

DocuSigned by:  
By:  \_\_\_\_\_, Its: Fleet Manager  
FACBB5730C1E467...

Name printed or typed: Jesse Cooper

Date 7/8/2020 | 4:22 PM CDT

## 5. B.

### CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

:

Co-Submitter: Sam Beckett

Date: 11/30/2021

Meeting Date: 12/28/2021



---

#### TITLE:

**Consideration and Approval of Contract:** Approve the Cooperative Purchase Contract of two (2) Bobcat Toolcats in the amount of \$140,230.30 from Clark Equipment Company, utilizing Sourcewell cooperative purchase contract # 040319-CEC.

#### STAFF RECOMMENDED ACTION:

1. Approve the purchase of two (2) Bobcat Toolcats in the amount of \$140,230.30 from Clark Equipment Company, utilizing Sourcewell cooperative purchase contract # 040319-CEC; and
2. Authorize the City Manager to execute the necessary documents.

#### Executive Summary:

The Public Works-Streets Section is responsible for timely snow removal and ice cinders for traction on all local roads, inclusive of bike lanes. The installation of separated bike lanes has been completed as an element of the pilot project on Butler and Beaver Street. The Streets Section has recognized the need for additional equipment to support maintenance and timely snow plowing operations. This equipment need comes from the addition of concrete curbs installed to increase the safety of our cycling public. By adding these curbs, the operational space within the pilot bike lanes is now much smaller than the current equipment capability of the Public Works- Streets Section. Snow plowing is a critical function in Public Works, with the limited space in the new separated bike lanes we now require equipment that will function safely in this area. Our continued goal is to promote the safest possible travel for all our community members. The Bobcat Toolcats meet the needs of this new infrastructure and will allow Public Works-Streets Section meet the snow plowing standards set forth by City Council.

#### Financial Impact:

Public Works has the budget capacity via Highway User Revenue Funds (HURF) for the cost of \$140,230.30 for two (2) Bobcat Toolcats.

\$40,000.00 from acct#: 040-06-161-0612-6-4402

\$100,230.30 from acct#: 040-06-161-0614-6-4401

#### Policy Impact:

Snow operations are a substantial element of the Streets work program. The city's Snow Operations Manual maps the entire community by zone. Equipment and operators are tasked with the removal of snow from over 700 lane miles of city owned roadways. This operation can last a couple days to over a week depending on the snow event or weather conditions. With the addition of the new separated bike lane curbs, we cannot use the standard snow removal equipment for these much smaller spaces for snow removal and sweeping. The Bobcat Toolcats with snow blower and sweeper attachments allows for snow plowing operations and sweeping between storms, this will allow for the safest possible travel for our cycling public.

#### **Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:**

The Climate Action and Adaption Plan as well as the Carbon Neutrality Plan all have strong goals and objectives that support multi-modal transportation.

#### **PBB Priorities and Objectives:**

Identify smart traffic management, multi-modal transportation, and alternative energy opportunities.  
Implement sustainable building practices and alternative energy and transportation options.

#### **Carbon Neutrality Plan Goals:**

Create inclusive networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient for people of all ages.

#### **Regional Plan Goals:**

Goal T.6. Provide for bicycling as a safe and efficient means of transportation and recreation.

Goal T.3. Provide transportation infrastructure that is conducive to conservation, preservation, and development goals to avoid, minimize, or mitigate impacts on the natural and built environment.

#### **Has There Been Previous Council Decision on This:**

**Council had discussed snow operations on several occasions, most recently October 27, 2021. These discussions review the City's Snow Operation Manual and snow removal expectations.**

#### **Options and Alternatives:**

1. Approve the purchase of two (2) Bobcat Toolcats in the amount of \$140,230.30 from Clark Equipment Company, utilizing Sourcewell cooperative purchase contract # 040319-CECp or
2. Do not approve the purchase.

#### **Background/History:**

On June 17, 2021, Council approved the pilot separated bike lane program to increase the safety of our cycling community. Part of this project required concrete curbing to separate the motoring traffic from the cycling traffic. By adding these curbs Public Works is no longer able to service the needs of the cycling public with our current oversized equipment. To ensure we meet the needs of this new program, and encourage our traveling public to cycle more, we can further enhance the mission of carbon emissions reduction.

Clark Equipment Company has Contract #040319-CEC with Sourcewell to supply materials and/or services, which was awarded through a competitive and open procurement process that the City of Flagstaff reviewed to obtain the cooperative purchase contract. This method allows for competitive pricing and is the best value for the purchase of the Bobcat Toolcats.

#### **Key Considerations:**

The purchase of these two (2) Bobcat Toolcats will allow Public Works-Streets Section to perform critical functions such as snow removal and maintenance of the new pilot separated bicycle lanes.

**Community Benefits and Considerations:**

These Bobcat Toolcats will greatly benefit the cycling community by allowing access and use of separated bicycle lanes throughout all seasons. Even more so allowing for bicycle access around snow events. They will also be utilized to sweep and clean bike separated bike lanes year-round.

**Community Involvement:**

Winter Storms are a significant source of citizen interest with the importance of having the tools to perform the duties of the position. Having the right tools will ensure the safest possible travel for our cycling and motoring community. Community stakeholders such as NAIPTA and the local school systems have been able to deliver safe transportation of community member due to the operation efforts of our city response efforts.

---

**Attachments:**     [2022-62 Two \(2\) Bobcat UW56 Cooperative](#)  
                              [Image of Toolcat in action](#)  
                              [Exhibit A Quote](#)  
                              [Exhibit B Award](#)  
                              [Exhibit B Bobcat Contract](#)

## COOPERATIVE PURCHASE CONTRACT

Contract No. 2022-62

This Cooperative Purchase Contract is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and Clark Equipment Company, DBA Bobcat Company, a North Dakota C Corporation ("Contractor").

### RECITALS:

- A. The Contractor is a fully authorized dealer of Bobcat products;
- B. Contractor has Contract #040319-CEC with Sourcewell to supply materials and/or services ("Agency Contract"), which was awarded through a competitive and open procurement process;
- C. Contractor is a dealer as described in the Agency Contract; and
- D. 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) and/or Scope of Work submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased:

#### **Two (2) Bobcat UW56**

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, will not exceed **one hundred fifty-two thousand one hundred two dollars and twenty-two cents (\$152,102.22) including other fees and taxes**; 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 documents are set forth in Exhibit B attached hereto and incorporated by reference. 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.

CLARK EQUIPMENT COMPANY DBA BOBCAT COMPANY:

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

Title: \_\_\_\_\_

CITY OF FLAGSTAFF

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

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney's Office

**EXHIBIT A**  
**SPECIFIC REQUIREMENTS OF CITY**

**Clark Equipment Company** Quote # AMS-03559v1 (Attached)

**EXHIBIT B**  
**AGENCY CONTRACT**

**Sourcewell Contract #040319-CEC.** (Attached)



0055



# Bobcat

## Product Quotation

Quotation Number: AMS-03559v1

Date: 2021-12-08 13:18:07

Customer Name/Address:

Bobcat Delivering Dealer

**ORDERS TO BE PLACED WITH:**  
**Contract Holder/Manufacturer**

**CITY OF FLAGSTAFF G11593**  
**Attn: Greg**  
**211 W Aspen Ave**  
**Flagstaff, AZ 86001-5359**  
**Phone: (928) 220-5592**

**Flagstaff Equipment Co**  
**Inc, Flagstaff, AZ**  
**500 NORTH GRANT ST**  
**FLAGSTAFF AZ 86004-6010**  
**Phone: (928) 774-1969**  
**Fax: (928) 774-7006**

**Clark Equipment Company**  
**dba Bobcat Company**  
**250 E Beaton Dr**  
**West Fargo, ND 58078**  
**Phone: 701-241-8719**  
**Fax: 855-608-0681**  
**Contact: Heather Messmer**  
**Heather.Messmer@doosan.com**

Description	Part No	Qty	Price Ea.	Total
<b>Bobcat UW56</b> Adjustable Vinyl Seats All-Wheel Steer Automatically Activated Glow Plugs Auxiliary Hydraulics <ul style="list-style-type: none"> <li>Variable Flow with dual direction detent</li> </ul> Beverage Holders Bob-Tach Boom Float Cargo Box Support Cruise Control Speed Management Enclosed Cab with HVAC Dual Port USB charger Lower Engine Guard Limited Slip Transaxle Engine and Hydraulic Monitor with Shutdown Front LED Work Lights Full-time Four-Wheel Drive Horsepower Management <ul style="list-style-type: none"> <li>Roll Over Protective Structure (ROPS) . Meets Requirements of SAE-J1040 &amp; ISO 3471</li> <li>Falling Object Protective Structure (FOPS) . Meets Requirements of SAE-J1043 &amp; ISO3449, Level I</li> </ul> Dome Light	M1225	2	\$52,220.80	\$104,441.60
Hydraulic Dump Box Instrumentation: Standard 5" Display with Keyless Start, Engine Temperature and Fuel Gauges, Hour meter, RPM and Warning Indicators. Includes maintenance interval notification, fault display, job codes, quick start, and security lockouts. Joystick, Manually Controlled with Lift Arm Float Lift Arm Support Parking Brake, automatic Power Steering with Tilt Steering Wheel Radiator Screen Rear Receiver Hitch Seat Belts, Shoulder Harness Spark Arrestor Muffler Suspension, 4-wheel independent Tires: 27 x 10.5-15 (8 ply), Lug Tread Toolcat Interlock Control System (TICS) Two-Speed Transmission Machine Warranty: 12 Months, unlimited hours Bobcat Engine Warranty: Additional 12 Months or total of 2000 hours after initial 12 month warranty				
<b>Deluxe Road Package</b> <b>Deluxe Road Package includes: Backup Alarm, Turn Signals, Flashers, Tail Lights, Brake Lights, Rear view mirror, Side Mirrors, Horn, Rear work lights, and headlights</b>	M1225-P01-C01	2	\$2,316.00	\$4,632.00
<b>High Flow Package</b> <b>29 X 10.5 Trac Tire</b> <b>Heavy Duty Battery</b> <b>Attachment Control</b> <b>Power Bob-Tach</b> <b>Radio Option</b> <b>Traction Control</b>	M1225-R03-C02 M1225-R05-C04 M1225-R07-C02 M1225-R08-C02 M1225-R14-C03 M1225-R15-C02 M1225-R16-C02	2 2 2 2 2 2 2	\$1,388.80 \$436.80 \$77.60 \$188.80 \$879.20 \$426.40 \$436.00	\$2,777.60 \$873.60 \$155.20 \$377.60 \$1,758.40 \$852.80 \$872.00

Rearview Camera	M1225-R20-C01	2	\$288.00	\$576.00
Engine Block Heater	M1225-A01-C02	2	\$104.00	\$208.00
Interior Trim	M1225-A01-C04	2	\$164.00	\$328.00
Snow Blower 32X60	M7046	2	\$4,717.32	\$9,434.64
--- MOTOR PACKAGE 160CC (26-31 gpm)	M7046-R01-C04	2	\$833.72	\$1,667.44
62" Heavy Duty Bucket	7272678	2	\$899.08	\$1,798.16
--- Bolt-On Cutting Edge, 62"	6718005	2	\$208.50	\$417.00
Material and Logistics Surcharge	9988228	2	\$4,500.29	\$9,000.58
Total for these 2 Machines				\$140,170.62
Description	Part No	Qty	Price Ea.	Total
52" Angle Broom	M7043	2	\$3,344.00	\$6,688.00
--- 52" Angle Broom with 14.5 motor	M7043-R02-C02	2	\$585.20	\$1,170.40
--- Material and Logistics Surcharge	9988228	2	\$383.10	\$766.20
Total for these items				\$8,624.60

Total of Items Quoted	\$148,795.22
Dealer P.D.I.	\$500.00
Freight Charges	\$2,682.00
Dealer Assembly Charges	\$125.00
Quote Total - US dollars	\$152,102.22

**Notes:**

*\*Prices per the Sourcewell Contract #040319-CEC.*

*\*Terms Net 60 Days. Credit cards accepted.*

*\*FOB Origin – Prepay and Add to Quote*

*\*State Sales Taxes apply. IF Tax Exempt, please include Tax Exempt Certificate with order.*

*\*TID# 38-0425350*

***\*Orders Must Be Placed with: Clark Equipment Company dba Bobcat Company, Govt Sales, 250 E Beaton Drive, West Fargo, ND 58078.***

*\*Quote valid for 30 days*

**ORDER ACCEPTED BY:**

SIGNATURE

DATE

PRINT NAME AND TITLE

PURCHASE ORDER NUMBER

DELIVERY ADDRESS: \_\_\_\_\_

BILLING ADDRESS (if different than Ship To): \_\_\_\_\_

TAX EXEMPT? \_\_\_\_\_ YES \_\_\_\_\_ NO

Exempt in the State of \_\_\_\_\_

Tax Exempt ID:

FEDERAL - \_\_\_\_\_

STATE - \_\_\_\_\_

Expiration Date: \_\_\_\_\_



**FORM E****CONTRACT ACCEPTANCE AND AWARD**

(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 040319-CEC

Proposer's full legal name: Clark Equipment Company dba Bobcat Company

**Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.**

The effective date of the Contract will be May 31, 2019 and will expire on May 31, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

**Sourcewell Authorized Signatures:**

DocuSigned by:

C0FD2A139D06489

SOURCEWELL DIRECTOR OF OPERATIONS AND

PROCUREMENT/CPO SIGNATURE

DocuSigned by:

7E42B8F817A64CC...

SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Jeremy Schwartz

(NAME PRINTED OR TYPED)

Chad Coauette

(NAME PRINTED OR TYPED)

Awarded on May 28, 2019

Sourcewell Contract # 040319-CEC

**Vendor Authorized Signatures:**

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name

Authorized Signatory's Title

VENDOR AUTHORIZED SIGNATURE

(NAME PRINTED OR TYPED)

Executed on May 30<sup>th</sup>, 2019

Sourcewell Contract # 040319-CEC



**Sourcewell<sup>SM</sup>**

Formerly the National Joint Powers Alliance (NJPA)

## **REQUEST FOR PROPOSAL**

for the procurement of

### **MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES**

#### **RFP Opening**

April 4, 2019

8:30 a.m. Central Time

At the offices of Sourcewell

202 12<sup>th</sup> Street Northeast, Staples, MN 56479

#### **RFP #040319**

Sourcewell, formerly the National Joint Powers Alliance® (NJPA), on behalf of Sourcewell and its current and potential member agencies, which includes all governmental, higher education, K-12 education, not-for-profit, tribal government, and all other public agencies located in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution for the procurement of #040319 MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES. Details of this RFP are available beginning February 14, 2019. Details may be obtained by letter of request to James Voelker, Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479, or by e-mail at [RFP@sourcewell-mn.gov](mailto:RFP@sourcewell-mn.gov). Proposals will be received until April 3, 2019 at 4:30 p.m. Central Time at the above address and opened April 4, 2019 at 8:30 a.m. Central Time.

#### **RFP Timeline**

<b>February 14, 2019</b>	<b>Publication of RFP</b> in the print and online version of <i>USA Today</i> , in the print and online version of the <i>Salt Lake News</i> within the State of Utah, in the print and online version of the <i>Daily Journal of Commerce</i> within the State of Oregon (note: OR entities this pertains to: <a href="http://www.sourcewell-mn.gov/compliance-legal/oregon-advertising">www.sourcewell-mn.gov/compliance-legal/oregon-advertising</a> and also RFP Appendix B), in the print and online version of <i>The State</i> within the State of South Carolina, the Sourcewell website, MERX, PublicPurchase.com, Biddingo, and Onvia.
<b>March 20, 2019 10:00 a.m. CT</b>	<b>Pre-Proposal Conference</b> (the webcast/conference call). The connection information will be sent to all inquirers two business days before the conference.
<b>March 27, 2019</b>	<b>Deadline for RFP questions.</b>
<b>April 3, 2019 4:30 p.m. CT</b>	<b>Deadline for Submission of Proposals.</b> Late responses will be returned unopened.
<b>April 4, 2019 8:30 a.m. CT</b>	<b>Public Opening of Proposals.</b>

Direct questions regarding this RFP to: James Voelker at [james.voelker@sourcewell-mn.gov](mailto:james.voelker@sourcewell-mn.gov) or 218-895-4191.

## TABLE OF CONTENTS

---

1. DEFINITIONS
  - A. Contract
  - B. Proposer
  - C. Sourced Good of Open Market Item
  - D. Vendor
  - E. Cost Comparison
  - F. Marketing Plan
  - G. Certificate Of Insurance
  - H. Order Process and/or Funds Flow
  - I. Administrative Fees
  - J. Value Added
  - K. Waiver of Formalities
2. ADVERTISEMENT OF RFP
3. INTRODUCTION
  - A. About Sourcewell
  - B. Joint Exercise of Powers Laws
  - C. Why Respond to a National Cooperative Procurement Contract
  - D. The Intent of This RFP
  - E. Scope of This RFP
  - F. Expectations for Equipment/Products and Services Being Proposed
  - G. Solutions Based Solicitation
4. INSTRUCTIONS FOR PREPARING YOUR PROPOSAL
  - A. Inquiry Period
  - B. Pre-Proposal Conference
  - C. Identification of Key Personnel
  - D. Proposer's Exceptions to Terms and Conditions
  - E. Proposal Format
  - F. Questions & Answers About This RFP
  - G. Modification or Withdrawal of a Submitted Proposal
  - H. Proposal Opening Procedure
  - I. Sourcewell's Rights Reserved
5. PRICING
  - A. Line-Item Pricing
  - B. Percentage Discount From Catalog or Category
  - C. Cost Plus a Percentage of Cost
  - D. Hot List Pricing
  - E. Ceiling Price
  - F. Volume Price Discounts/ Additional Quantities
  - G. Total Cost of Acquisition
  - H. Sourced Equipment/Products/ Open Market Items
  - I. Price and Product Changes
  - J. Payment Terms
  - K. Sales Tax
  - L. Shipping
6. EVALUATION OF PROPOSALS
  - A. Proposal Evaluation Process
  - B. Proposer Responsiveness
  - C. Proposal Evaluation Criteria
  - D. Other Consideration
7. POST AWARD OPERATING ISSUES
  - A. Subsequent Agreements
  - B. Sourcewell Member Sign-up Procedure
  - C. Reporting of Sales Activity
  - D. Audits
  - E. Hub Partner
  - F. Trade-Ins
  - G. Out of Stock Notification
  - H. Termination of a Contract resulting from this RFP
8. GENERAL TERMS AND CONDITIONS
  - A. Advertising a Contract Resulting From This RFP
  - B. Applicable Law
  - C. Assignment of Contract
  - D. List of Proposers
  - E. Captions, Headings, and Illustrations
  - F. Data Practices
  - G. Entire Agreement
  - H. Force Majeure
  - I. Licenses
  - J. Material Suppliers and Sub-Contractors
  - K. Non-Wavier of Rights
  - L. Protests of Awards Made
  - M. Suspension or Disbarment Status
  - N. Affirmative Action and Immigration Status Certification
  - O. Severability
  - P. Relationship of Parties
  - Q. Provisions for Non-Federal Entity Procurements under Federal Awards or Other Awards
9. FORMS
10. PRE-SUBMISSION CHECKLIST
11. PRICE & PRODUCT CHANGE REQUEST FORM
12. APPENDIX A
13. APPENDIX B – HI, ID, OR, SC, UT, WA Political Subdivisions (SEPARATE ATTACHMENT)
14. APPENDIX C – VA Political Subdivisions (SEPARATE ATTACHMENT)
15. APPENDIX D – FEMA Terms & Conditions (SEPARATE ATTACHMENT)

## **1 DEFINITIONS**

### **A. CONTRACT**

Contract means this RFP, current pricing information, fully executed Forms C, D, F, & P from the Proposer's response pursuant to this RFP, and a fully executed Form E ("Acceptance and Award") with final terms and conditions. Form E will be executed after a formal award and will provide final clarification of terms and conditions of the award.

### **B. PROPOSER**

A Proposer is a company, person, or entity delivering a timely response to this RFP. This RFP may also use the terms "respondent" or "proposed Vendor," which is interchangeable with Proposer as the context allows.

### **C. SOURCED GOOD or OPEN MARKET ITEM**

A Sourced Good or Open Market Item is a product within the RFP's scope 1) that is not currently available under the Vendor's Sourcewell contract, 2) that a member wants to buy under contract from an awarded Vendor, and 3) that is generally deemed incidental to the total transaction or purchase of contract items.

### **D. VENDOR**

A Proposer whose response has been awarded a contract pursuant to this RFP.

## **2 ADVERTISEMENT OF RFP**

**2.1** Sourcewell advertises this solicitation: 1) in the hard copy print and online editions of the USA Today; 2) once each in Oregon's Daily Journal of Commerce, South Carolina's The State and Utah's Salt Lake Tribune; 3) on Sourcewell's website; and 4) on other third-party websites deemed appropriate by Sourcewell. Other third-party advertisers may include Onvia, PublicPurchase.com, MERX, and Biddingo.

**2.2** Sourcewell 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.

## **3 INTRODUCTION**

### **A. ABOUT SOURCEWELL**

**3.1** Sourcewell, formerly 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.

**3.2** Under the authority of Minnesota state laws and enabling legislation, Sourcewell facilitates a competitive solicitation 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 Sourcewell Member agencies desire to procure. These procurement contracts are created in compliance with applicable Minnesota Municipal Contracting Laws. A complete listing of Sourcewell cooperative procurement contracts can be found at [www.sourcewell-mn.gov](http://www.sourcewell-mn.gov).

**3.3** Sourcewell is a public agency governed by publicly elected officials that serve as the Sourcewell Board of Directors. Sourcewell's Board of Directors oversees and authorizes the calls for all new proposals and holds those resulting Contracts for the benefit of its own and its Members use.

**3.4** Sourcewell currently serves over 50,000 member agencies nationally. Both membership and utilization of Sourcewell 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**

**3.5** Sourcewell cooperatively shares those contracts with its Members nationwide through various Joint Exercise of Powers Laws or Cooperative Purchasing Statutes established in Minnesota, other states and Canadian provinces. 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..." This Minnesota Statute allows Sourcewell to serve Member agencies located in all other states. Municipal agencies nationally can participate in cooperative purchasing activities under their own state law. These laws can be found on our website at [www.sourcewell-mn.gov/compliance-legal](http://www.sourcewell-mn.gov/compliance-legal).

**3.5.1** For Members within the Commonwealth of Virginia, this RFP is intended to be a "joint procurement agreement" as described in Vir. Code § 2.2-4304(A), and those Virginia Members identified in Appendix C may agree to be a Joint Purchaser under this RFP.

**3.5.2** For Members within Canada, this RFP is intended to include municipalities and publicly-funded academic institutions, schools boards, health authorities, and social services (MASH



sectors). In addition this RFP is intended to include current and potential Members of the Rural Municipalities of Alberta (RMA), and their represented Associations (SARM, SUMA and AMM).

### C. WHY RESPOND TO A NATIONAL COOPERATIVE PROCUREMENT CONTRACT

**3.6** 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:

**3.6.1** National cooperative contracts potentially save time and effort for municipal and public agencies, who otherwise would have to solicit vendor responses to individual RFPs, 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 to 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 equipment/products/services that might have been otherwise advertised by individual Sourcewell member agencies.

**3.6.2** Sourcewell 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.

**3.7** 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.

**3.8** The collective purchasing power of thousands of Sourcewell Member agencies nationwide offers the opportunity for volume pricing discounts. Although no sales or sales volume is guaranteed by a Sourcewell Contract resulting from this RFP, substantial volume is anticipated and volume pricing is requested and justified.

**3.9** Sourcewell and its Members desire the best value for their procurement dollar as well as a competitive price. 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

**3.10. National contract awarded by Sourcewell:** Sourcewell seeks the most responsive and responsible Vendor relationship(s) to reflect the best interests of Sourcewell and its Member agencies. Through a competitive proposal and evaluation process, the Sourcewell Proposal Evaluation Committee recommends vendors for a national contract awarded by the action of the Sourcewell Chief Procurement Officer. Sourcewell's primary intent is to establish and provide a national cooperative procurement contract that offer opportunities for Sourcewell and our current and potential Member agencies throughout the United States and Canada to procure quality product/equipment and services as desired and needed. The contracts will be marketed nationally through a cooperative effort between the awarded vendor(s) and Sourcewell. Contracts are expected to offer price levels reflective of the potential and collective volume of Sourcewell and the nationally established Sourcewell membership base.

**3.11** Beyond our primary intent, Sourcewell further desires to:

**3.11.1** Award a four-year contract with a fifth-year contract option resulting from this RFP. Any fifth-year extension is exercised at Sourcewell's discretion and results from Sourcewell's contracting needs or from Member requests; this extension is not intended merely to accommodate an awarded Vendor's request. If Sourcewell grants a fifth-year extension, it may also terminate the contract (or cause it to expire) within the fifth year if the extended

contract is replaced by a resolicited or newly solicited contract. In exigent circumstances, Sourcewell may petition Sourcewell's Board of Directors to extend the contract term beyond five years. This rarely used procedure should be employed only to avoid a gap in contract coverage while a replacement contract is being solicited;

- 3.11.2** Offer and apply any applicable technological advances throughout the term of a contract resulting from this RFP;
- 3.11.3** Deliver "Value Added" aspects of the company, equipment/products and services as defined in the "Proposer's Response";
- 3.11.4** Deliver a wide spectrum of solutions to meet the needs and requirements of Sourcewell and Sourcewell Member agencies; and
- 3.11.5** Award an exclusive contract to the most responsive and responsible vendor when it is deemed to be in the best interest of Sourcewell and the Sourcewell Member agencies.

**3.12 Exclusive or Multiple Awards:** Based on the scope of this RFP and on the responses received, Sourcewell may award either an exclusive contract or multiple contracts. In some circumstances, a single national supplier may best meet the needs of Sourcewell Members; in other situations, multiple vendors may be in the best interests of Sourcewell and the Sourcewell Members and preferred by Sourcewell to provide the widest array of solutions to meet the member agency's needs. Sourcewell retains sole discretion to determine which approach is in the best interests of Sourcewell Member agencies.

**3.13 Non-Manufacturer Awards:** Sourcewell reserves the right to make an award under this RFP to a non-manufacturer or dealer/distributor if such action is in the best interests of Sourcewell and its Members.

**3.14 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 submission if that fact is properly identified.

**3.15 Dealer/Reseller as a Proposer:** If the Proposer is a dealer or reseller 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. When requested by Sourcewell, Proposers must document their authority to offer those products and/or services.

## **E. SCOPE OF THIS RFP**

**3.16 Scope:** The scope 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 and responsible 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 Sourcewell and its Member agencies nationally within the scope of MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES.

**3.17 Additional Scope Definitions:** In addition to MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES, **this solicitation should be read to include, but not to be limited to:**

**3.17.1** Wheel, track or backhoe loaders, skid steers, excavators, on-highway telescoping excavators, telehandlers, site-preparation equipment, and rollers.

**3.17.2** Sourcewell reserves the right to limit the scope of this solicitation for Sourcewell and current and potential Sourcewell member agencies.

**3.17.2.1** This solicitation should **NOT** be construed to include any of the following:

- a. Construction services
- b. Equipment accessory, attachment and supply only solutions, or
- c. Vendors whose primary business is covered under categories included in the following Sourcewell RFPs:
  - i. Heavy Construction Equipment With Related Accessories, Attachments, and Supplies (See Sourcewell RFP #032119)
  - ii. Trailers with Related Equipment, Accessories, and Services (See Sourcewell RFP #121918)
  - iii. Snow and Ice Handling Equipment, Supplies, and Accessories (See Sourcewell RFP #080818)
  - iv. Public Utility Equipment with Related Accessories and Supplies (See Sourcewell #012418)
  - v. Sewer Vacuum, Hydro-Excavation, and Street Sweeper Equipment with Related Accessories and Supplies (See Sourcewell RFP #122017)
  - vi. Grounds Maintenance Equipment, Attachments, Accessories, and Related Services (See Sourcewell RFP #062117)
  - vii. Roadway Maintenance Equipment with Related Accessories, Attachments, Materials, and Supplies (See Sourcewell RFP #052417)
  - viii. Forklifts, Lift Trucks, and Related Material Handling Equipment, Attachments, Accessories, and Services (See Sourcewell RFP #101816)
  - ix. Portable Construction and Maintenance Equipment and Trailers with Related Accessories, Attachments, and Supplies (See Sourcewell RFP #052015)
  - x. Agricultural Tractors with Related Equipment and Accessories (See Sourcewell RFP #021815)
  - xi. Mobile Refuse Collection Vehicles with Related Equipment, Accessories, and Services (See Sourcewell RFP #112014)

**3.18** **Overlap of Scope:** When considering equipment/products/services, or groups of equipment/products/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.

**3.18.1** For example, pencils and post-it-notes can generally be classified as office supplies and office supplies generally include pencils and post-it-notes.

**3.18.2** 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.

**3.18.3** In conclusion: With this in mind, individual products and services must be examined individually by Sourcewell, from time to time and in its sole discretion, to determine their compliance and fall within the original “Scope” as intended by Sourcewell.

**3.19** **Best and Most Responsive – Responsible Proposer:** It is the intent of Sourcewell 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 Sourcewell and Sourcewell Members, provided the Proposer's Response has been submitted in accordance with the requirements of this RFP. Qualifying Proposers who are able to anticipate the current and future needs and requirements of Sourcewell and Sourcewell 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 Sourcewell Members in all 50 states are preferred. Sourcewell requests proposers submit their entire line of products and services as it applies and relates to the scope of this RFP.

**3.20 Sealed Proposals:** Sourcewell 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 Sourcewell and its current or qualifying future Sourcewell Member agencies.

**3.21 Use of Contract:** Any Contract resulting from this solicitation shall be awarded with the understanding that it is for the sole convenience of Sourcewell and its Members. Sourcewell and/or its members reserve the right to obtain like equipment/products and services solely from this contract or from another contract source of their choice or from a contract resulting from their own procurement process.

**3.22 Awarded Vendor's interest in a contract resulting from this RFP:** Awarded Vendors will be able to offer to Sourcewell, and current and potential Sourcewell Members, only those products/equipment and services specifically awarded on their Sourcewell Awarded Contract(s). Awarded Vendors may not offer as "contract compliant," products/equipment and services which are not specifically identified and priced in their Sourcewell Awarded Contract.

**3.23 Sole Source of Responsibility-** Sourcewell desires a "Sole Source of Responsibility" Vendor. This means that the Vendor will take sole responsibility for the performance of delivered equipment/products/services. Sourcewell also desires sole responsibility with regard to:

**3.23.1 Scope of Equipment/Products/Services:** Sourcewell 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 Sourcewell current and potential Members.

**3.23.2 Vendor use of sub-contractors in sourcing or delivering equipment/product/services:** Sourcewell 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 equipment/products/services being proposed. Vendor assumes all responsibility for the equipment/products/services and actions of any such Sub-Contractor. Suggested Solutions Options include:

**3.23.3** Multiple solutions to the needs of Sourcewell and Sourcewell Members are possible. Examples could include:

**3.23.3.1 Equipment/Products Only Solution:** Equipment/Products Only Solution may be appropriate for situations where Sourcewell or Sourcewell 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.

**3.23.3.2 Turn-Key Solutions:** A Turn-Key Solution is a combination of equipment/products and services that provides a single price for equipment/products, delivery, and installation to a properly operating status. Generally this is the most desirable solution because Sourcewell and Sourcewell Members may not possess, or desire to

engage, personnel with the necessary expertise to complete these tasks internally or through other independent contractors.

**3.23.3.3 Good, Better, Best:** Where appropriate and properly identified, Proposers may offer the choice “of good, better, best” multiple-grade solutions to meet Sourcewell Members’ needs.

**3.23.3.4 Proven – Accepted – Leading-Edge Technology:** Where appropriate and properly identified, Proposers may provide a spectrum of technology solutions to complement or enhance the proposed solutions to meet Sourcewell Members’ needs.

**3.23.4** If applicable, Contracts will be awarded to Proposer(s) able to deliver a proposal meeting the entire needs of Sourcewell and its Members within the scope of this RFP. Sourcewell prefers Proposers submit their complete product line of products and services described in the scope of this RFP. Sourcewell reserves the right to reject individual, or groupings of specific equipment/products and services proposals as a part of the award.

**3.24 Geographic Area to be Proposed:** This RFP invites proposals to provide MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES to Sourcewell and Sourcewell Members throughout the entire United States and possibly internationally. Proposers will be expected to express willingness to explore service to Sourcewell 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.

**3.25 Contract Term:** At Sourcewell’s option, a Contract resulting from this RFP will become effective either on the date awarded by the Sourcewell Executive Director and Chief Procurement Officer or on the day following the expiration date of an existing Sourcewell procurement contract for the same or similar product/equipment and services.

**3.25.1** Sourcewell is seeking a Contract base term of four years as allowed by Minnesota Contracting Law. Full term is expected. However, one additional one-year renewal/extension may be offered by Sourcewell to Vendor beyond the original four year term if Sourcewell deems such action to be in the best interests of Sourcewell and its Members. Sourcewell reserves the right to conduct periodic business reviews throughout the term of the contract.

**3.26 Minimum Contract Value:** Sourcewell anticipates considerable activity resulting from this RFP and subsequent award; however, no commitment of any kind is made concerning actual quantities to be acquired. Sourcewell does not guarantee usage. Usage will depend on the actual needs of the Sourcewell Members and the value of the awarded contract.

**3.27** [This section is intentionally blank.]

**3.28 Contract Availability:** This Contract must be available to all current and potential Sourcewell Members who choose to utilize this Sourcewell Contract to include all governmental and public agencies, public and private primary and secondary education agencies, and all non-profit organizations nationally.

**3.28.1** With respect to Members within the Commonwealth of Virginia, this RFP is intended to be a “joint procurement agreement” as described in Vir. Code § 2.2-4304(A), and those Virginia Members identified in Appendix C must be allowed to use this Contract as a Joint Purchaser.

**3.28.2** For Members within Canada, this RFP is intended to include municipalities and publicly-funded academic institutions, schools boards, health authorities, and social services (MASH sectors). In addition this RFP is intended to include current and potential Members of the Rural Municipalities of Alberta (RMA), and their represented Associations (SARM, SUMA and AMM).



**3.29 Proposer's Commitment Period:** In order to allow Sourcewell the opportunity to evaluate each proposal thoroughly, Sourcewell requires any response to this solicitation be valid and irrevocable for ninety (90) days after the date proposals are opened.

## **F. EXPECTATIONS FOR EQUIPMENT/PRODUCTS AND SERVICES BEING PROPOSED**

**3.30 Industry Standards:** Except as contained herein, the specifications or solutions for this RFP shall be those accepted guidelines set forth by the MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES industry, as they are generally understood and accepted within that industry across the nation. Submitted products/equipment, related services and accessories, and their warranties and assurances are required to meet and/or exceed all current, traditional and anticipated standards, needs, expectations, and requirements of Sourcewell and its Members.

**3.30.1 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.

**3.30.2 Technical Descriptions/Specifications.** Excessive technical descriptions and specifications that unduly enlarge the proposal response may cause Sourcewell to reduce the evaluation points awarded on Form G. Proposers must supply sufficient information to:

**3.30.2.1** demonstrate the Proposer's knowledge of industry standards and Member agency needs and expectations;

**3.30.2.2** Identify the equipment/products and services being proposed as applicable to the needs and expectations of Sourcewell Member agencies; and

**3.30.2.3** differentiate equipment/products and services from other industry manufacturers and providers.

**3.31 New Current Model Equipment/Products:** Proposals submitted shall be for new, current model equipment/products and services with the exception of certain close-out products allowed to be offered on the Proposer's "Hot List" described herein.

**3.32 Compliance with laws and standards:** All items supplied on this Contract shall comply with any current applicable safety or regulatory standards or codes.

**3.33 Delivered and operational:** Products/equipment offered herein are to be proposed based upon being delivered and operational at the Sourcewell Member's site. Exceptions to "delivered and operational" must be clearly disclosed in the "Total Cost of Acquisition" section of the proposal.

**3.34 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 that is effective past the expiration of the warranty will be passed on to the Sourcewell member. Failure to submit a minimum warranty may result in non-award.

**3.35 Additional Warrants:** The Proposer warrants that 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 ordinary use for which they are intended.

## G. SOLUTIONS-BASED SOLICITATION

**3.36** The Sourcewell solicitation and contract award process is not based on detailed specifications. Instead, this RFP is a “Solutions-Based Solicitation.” Sourcewell expects respondents to understand and anticipate the current and future needs of Sourcewell and its members—within the scope of this RFP—and to propose solutions that are commonly desired or required by law or industry standards. Proposal will be evaluated in part on your demonstrated ability to meet or exceed the needs and requirements of Sourcewell and our member agencies within the defined scope of this RFP.

**3.37** While Sourcewell does not typically provide product and service specifications, the RFP may contain scope refinements and industry-specific questions. Where specific items are specified, those items should be considered the minimum required, which the proposal can exceed in order to meet Members’ needs. Sourcewell may award all of the respondent’s proposal or may limit the award to a subset of the proposal.

## 3 INSTRUCTIONS FOR PREPARING YOUR PROPOSAL

### A. INQUIRY PERIOD

**4.1** The inquiry period begins on the date of first advertisement and continues until to the Deadline for Submission.” RFP packages will be distributed to potential Vendors during the inquiry period.

### B. PRE-PROPOSAL CONFERENCE

**4.2** A pre-proposal conference will be held at the date and time specified in the timeline on page one of this RFP. Conference information will be sent to all potential Proposers, and attendance is optional. The purpose of this conference is to allow potential Proposers to ask questions regarding this RFP and Sourcewell’s competitive contracting process. Only answers issued by written addendum by Sourcewell to questions asked before the deadline for questions are binding on the parties to an awarded contract.

### C. IDENTIFICATION OF KEY PERSONNEL

**4.3** Awarded Vendors will designate one senior staff member to represent the Vendor to Sourcewell. This contact person will correspond with members for technical assistance, questions, or concerns that may arise, including instructions regarding different contacts for different geographical areas or product lines.

**4.4** These designated individuals should also act as the primary contact for marketing, sales, and any other area deemed essential by the Proposer and Sourcewell.

### D. PROPOSER’S EXCEPTIONS TO TERMS AND CONDITIONS

**4.5** Any exceptions, deviations, or contingencies regarding this RFP that a Proposer requests must be documented on Form C, Exceptions To Proposal, Terms, Conditions And Solutions Request.

**4.6** Exceptions, deviations or contingencies requested in the Proposer’s response, while possibly necessary in the view of the Proposer, may result in lower scoring or disqualification of a proposal.

### E. PROPOSAL FORMAT

**4.7** All Proposers must 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.

**4.8** All proposals must be properly labeled and sent to “Sourcewell, 202 12th Street NE Staples, MN 56479.”

**4.9** All proposals must be physically delivered to Sourcewell at the above address with all required hard copy documents and signature forms/pages inserted as loose pages at the front of the Vendor’s response. The proposal must include these items.

**4.9.1** Hard copy original of completed, signed, and dated Forms C, D, F; hard copy of the signed signature-page only from Forms A and P from this RFP;

**4.9.2** Signed hard copies of all addenda issued for the RFP;

**4.9.3** Hard copy of Certificate of Insurance verifying the coverage identified in this RFP; and

**4.9.4** A complete copy of your response on a flash drive (or other approved electronic means). The electronic copy must contain completed Forms A, B, C, D, F, and P, your statement of products and pricing (including apparent discount), and all appropriate attachments. In order to ensure that your full response is evaluated, you must provide an electronic version of any material that you provide in a hard copy format.

As a public agency, Sourcewell’s proposals, responses, and awarded contracts are a matter of public record, except for such data that is classified as nonpublic. Accordingly, public data is available for review through a properly submitted public records request. To redact nonpublic information from your proposal (under Minnesota Statute §13.37), you must make your request within thirty (30) days of the contract award or non-award date.

**4.10** All Proposal forms must be submitted in English and must be legible. All appropriate forms must be executed by an authorized signatory of the Proposer. Blue ink is preferred for signatures.

**4.11** Proposal submissions should be submitted using the electronic forms provided. Proposers that use alternative documents are responsible for ensuring that the content is substantially similar to the Sourcewell form and that the document is readable by Sourcewell.

**4.12** The Proposer must ensure that the proposal is in the physical possession of Sourcewell before the submission deadline.

**4.12.1** Proposals must be submitted in a sealed envelope or box properly addressed to Sourcewell and prominently identifying the proposal number, proposal category name, the message **“Hold for Proposal Opening,”** and the deadline for proposal submission. Sourcewell is not responsible for untimely proposals. Proposals received by the deadline for proposal submission will be opened and the name of each Proposer and other appropriate information will be publicly read.

**4.13** Proposers are responsible for checking directly on the Sourcewell website for any addendums to this RFP. Addendums to this RFP can change the terms and conditions of the RFP, including the proposal submission deadline.

## **F. QUESTIONS AND ANSWERS ABOUT THIS RFP**

**4.14** Upon examination of this RFP document, Proposers should promptly notify Sourcewell of any ambiguity, inconsistency, or error they may discover. Interpretations, corrections, and changes to this RFP will be considered by Sourcewell through a written addendum. Interpretations, corrections, or changes that are made in any other manner are not binding, and Proposers must not rely on them.

**4.15** Submit all questions about this RFP, in writing, referencing MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES to James Voelker at Sourcewell, 202 12th Street NE, Staples, MN 56479 or to [RFP@sourcewell-mn.gov](mailto:RFP@sourcewell-mn.gov). You may also call James Voelker at 218-895-4191. Sourcewell urges potential Proposers to communicate all concerns well in advance of the submission deadline to avoid misunderstandings. Questions received within seven (7) days before the submission deadline generally cannot be answered. Sourcewell may, however, field purely procedural questions, questions about Sourcewell-issued addenda, or questions involving a Proposer withdrawing its response before the RFP submission deadline.

**4.16** If Sourcewell deems that its answer to a question has a material impact on other potential Proposers or on the RFP itself, Sourcewell will create an addendum to this RFP.

**4.17** If Sourcewell deems that its answer to a question merely clarifies the 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.

**4.18** Addenda are written instruments issued by Sourcewell that modify or interpret the RFP. All addenda issued by Sourcewell 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. Sourcewell accepts no liability in connection with the delivery of any addenda. Copies of addenda will also be made available on the Sourcewell website at [www.sourcewell-mn.gov](http://www.sourcewell-mn.gov) (under “Solicitations”) and from the Sourcewell offices. All Proposers must acknowledge their receipt of all addenda in their proposal response.

**4.19** Any amendment to a submitted proposal must be in writing and must be delivered to Sourcewell by the RFP submission deadline.

**4.20 through 4.21 [These sections are intentionally blank.]**

## **G. MODIFICATION OR WITHDRAWAL OF A SUBMITTED PROPOSAL**

**4.22** A submitted proposal must not be modified, withdrawn, or cancelled by the Proposer for a period of ninety (90) days following the date proposals were opened. Before the deadline for submission of proposals, any proposal submitted may be modified or withdrawn by notice to the Sourcewell Procurement Manager. Such notice must be submitted in writing and must include the signature of the Proposer. The notice must be delivered to Sourcewell before the deadline for submission of proposals and must be so worded as not to reveal the content of the original proposal. The original proposal will 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 fully conform with the proposal instructions.

## **H. PROPOSAL OPENING PROCEDURE**

**4.23** Sealed and properly identified responses for this RFP entitled MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES will be received by Chris Robinson, Procurement Manager, at Sourcewell Offices, 202 12th Street NE, Staples, MN 56479 until the deadline identified on page one of this RFP. All Proposal responses must be submitted in a sealed package. The outside of the package must plainly identify MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES and the RFP number. To avoid premature opening, the Proposer must label the Proposal response properly. **Sourcewell documents the receipt of proposals by immediately time- and date-stamping them.** At the time of the public opening, the Sourcewell Director of Procurement or a representative from the Sourcewell Proposal Evaluation Committee will read the Proposer’s names aloud and will determine whether each submission has met Level-1 responsiveness.

## **I. SOURCEWELL’S RIGHTS RESERVED**

**4.24** Sourcewell may exercise the following rights with regard to the RFP.

**4.24.1** Reject any and all proposals received in response to this RFP;

**4.24.2** Disqualify any Proposer whose conduct or proposal fails to conform to the requirements of this RFP;

**4.24.3** Duplicate without limitation all materials submitted for purposes of RFP evaluation, and duplicate all public information in response to data requests regarding the proposal;

**4.24.4** Consider and accept for evaluation a late modification of a proposal if 1) the proposal itself was submitted on time, 2) the modifications were requested by Sourcewell, and 3) the modifications make the terms of the proposal more favorable to Sourcewell or its members;

**4.24.5** Waive any non-material deviations from the requirements and procedures of this RFP;

**4.24.6** Extend the Contract, in increments determined by Sourcewell, not to exceed a total Contract term of five years;

**4.24.7** Cancel the Request for Proposal at any time and for any reason with no cost or penalty to Sourcewell;

**4.24.8** Correct or amend the RFP at any time with no cost or penalty to Sourcewell. If Sourcewell corrects or amends any segment of the RFP after submission of proposals and before the announcement of the awarded Vendor, all proposers will be afforded a reasonable opportunity to revise their proposals in order to accommodate the RFP amendment and the new submission dates. Sourcewell will not be liable for any errors in the RFP or other responses related to the RFP; and

**4.24.9** Extend proposal due dates.

## **5** **PRICING**

**5.1** Sourcewell requests that potential Proposers respond to this RFP only if they are able to offer a wide array of products and services at lower prices and with better value than what they would ordinarily offer to a single government agency, a school district, or a regional cooperative.

**5.2** This RFP requests pricing for an indefinite quantity of products or related services with potential national sales distribution and service. While most RFP categories represent significant sales opportunities, Sourcewell makes no guarantees about the quantity of products or services that members will purchase. **The estimated annual value of this contract is \$50 Million.**

Vendors are expected to anticipate additional volume through potential government, educational, and not-for-profit agencies that would find value in a national contract awarded by Sourcewell.

**5.3** Regardless of the payment method selected by Sourcewell or an Sourcewell member, the total cost associated with any purchase option of the products and services must always be disclosed in the proposal and at the time of purchase.

**5.4** All proposers must 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 “Hot List,” “Sourced Products,” and “Volume Discounts,” as well as financing options such as leasing. All pricing documents should include a clear effective date.

### **A. LINE-ITEM PRICING**



**5.5** Line-item pricing is a pricing format in which individual products or services are offered at specific Contract prices. Products or services are individually priced and described by characteristics such as manufacture name, stock or part number, size, or functionality. This method of pricing may offer the least amount of confusion, but Proposers with a large number of items may find this method cumbersome. In these situations, a percentage discount from catalog or category pricing model may make more sense and may increase the clarity of the contract pricing format.

**5.6** All line-item pricing items must be numbered, organized, sectioned (including SKUs, when applicable), and prepared to be easily understood by the Evaluation Committee and members.

**5.7** Submit Line-Item Pricing items in an Excel spreadsheet format and include all appropriate identification information necessary to discern the line item from other line items in each Responder's proposal.

**5.8** Line-item pricing must be submitted to Sourcewell in a searchable spreadsheet format (e.g., Microsoft® Excel®) in order to facilitate quickly finding 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 that is typically found on an invoice or price quote for such product or services.

**5.9** All products or 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.

**5.10** Proposers should provide both a published "List Price" as well as a "Proposed Contract Price" in their pricing matrix. 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**

**5.11** This pricing model involves a specific percentage discount from a catalog or list price, defined as a published Manufacturer's Suggested Retail Price (MSRP) for the products or services being proposed.

**5.12** Individualized percentage discounts can be applied to any number of defined product groupings.

**5.13** A percentage discount from MSRP may be applied to all elements identified in MSRP, including all manufacturer options applicable to the products or services.

**5.14** When a Proposer elects to use "Percentage Discount from Catalog or Category," Proposer will be responsible for providing and maintaining current published MSRP with Sourcewell, and this pricing must be included in its proposal and provided throughout the term of any Contract resulting from this RFP.

## **C. COST PLUS A PERCENTAGE OF COST**

**5.15** "Cost plus a percentage of cost" as a primary pricing mechanism is not desirable. It is, however, acceptable for pricing sourced goods or services.

## **D. HOT LIST PRICING**

**5.16** Where applicable, a Vendor may opt to offer a specific selection of products or services, defined as "Hot List" pricing, at greater discounts than those listed in the standard Contract pricing. All product and service pricing, including the Hot List Pricing, must be submitted electronically in a format that is acceptable to Sourcewell. Hot List pricing must be submitted in a line-item format. Products and services may be added or removed from the Hot List at any time through an Sourcewell Price and Product Change Form.

**5.17** Hot List program and pricing may also be used to discount and liquidate close-out and discontinued products and 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 Sourcewell Members.

#### **E. CEILING PRICE**

**5.18** Proposal pricing is to be established as a ceiling price. At no time may the proposed products or services be offered under this Contract at prices above this ceiling price without a specific request and approval by Sourcewell. Contract prices may be reduced at any time, for example, to reflect volume discounts or to meet the needs of an Sourcewell Member.

**5.19** [This section is intentionally blank.]

#### **F. VOLUME PRICE DISCOUNTS / ADDITIONAL QUANTITIES**

**5.20 through 5.23** [These sections are intentionally blank.]

#### **G. TOTAL COST OF ACQUISITION**

**5.24** The Total Cost of Acquisition for the equipment/products and related services being proposed, including those payable by Sourcewell Members to either the Proposer or a third party, is 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. For example, if you are proposing equipment/products FOB Proposer's dock, your proposal should reflect that the contract pricing does not provide for delivery beyond Proposer's dock, nor any set-up activities or costs associated with those delivery or set-up activities. Any additional costs for delivery and set-up should be clearly disclosed. In contrast, a proposal could state that there are no additional costs of acquisition if the product is delivered to and operational at the end-user's location.

#### **H. SOURCED GOOD or OPEN MARKET ITEM**

**5.25** A Sourced Good or an Open Market Item is a product that a member wants to buy under contract that is not currently available under the Vendor's Sourcewell contract. This method of procurement can be satisfied through a contract sourcing process. Sourcing options serve to provide a more complete contract solution to meet our members' needs. Sourced items are generally deemed incidental to the total transaction or purchase of contract items.

**5.26** Sourcewell or Sourcewell Members may request products, equipment, and related services that are within the related scope of this RFP, even if they are not included in an awarded Vendor's line-item price list or catalog. These items are known as Sourced Goods or Open Market Items.

**5.27** An awarded Vendor may source such items to the extent that the items are identified as "Sourced Products/Equipment" or "Open Market Items" on any quotation issued in reference to an Sourcewell awarded contract, and that this information is provided to either Sourcewell or an Sourcewell Member. Sourcewell is not responsible for determining whether a Sourced Good is an incidental portion of the overall purchase or whether a Member is able to consider a Sourced Good a purchase under a Sourcewell contract.

**5.28** "Cost plus a percentage" pricing is an acceptable option in pricing of Sourced Goods.

#### **I. PRODUCT & PRICE CHANGES**

**5.29** Awarded Vendors may request product or service changes, additions, or deletions at any time throughout the contract term. All requests must be made in written format by completing the Sourcewell Price and Product Change Request Form (located at the end of this RFP and on the Sourcewell website),

signed by an authorized Vendor representative. All changes are subject to review and approval by Sourcewell. Submit your requests through email to your assigned Contract Manager and to PandP@sourcewell-mn.gov.

**5.30** Sourcewell will determine whether the request is both within the scope of the original RFP and in the best interests of Sourcewell and Sourcewell Members. Approved Price and Product Change Request Forms will be returned to the Vendor contact through email.

**5.31** The Vendor must 1) complete this change request form and individually list or attach all items subject to change, 2) provide a sufficiently detailed explanation and documentation for the change, and 3) include a complete restatement of pricing document in appropriate format (preferably Excel). The pricing document must identify all products and services being offered and must conform to the following Sourcewell product and price change naming convention: (Vendor Name) (Sourcewell Contract #) (effective pricing date); for example, "COMPANY 012411-CPY effective 02-12-2016."

**5.32** The new pricing restatement must include *all* products and services offered, even for those items whose pricing remains unchanged, and must 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.

**5.33** ADDITIONS. New products and related services may be added to a Contract resulting from this RFP at any time during that Contract term to the extent that those products and related services are within the scope of this RFP. Allowable new products and related services generally include updated models of products and enhanced services that reflect new technology and improved functionality.

**5.34** DELETIONS. New products and related services may be deleted from a contract if an item is no longer available.

**5.35** PRICE CHANGES. A Vendor may request pricing changes by providing reasonable justification for the change. For example, a request for a 3% increase in a product line that relies heavily on petroleum products may be reasonable if the raw cost of required petroleum products has increased substantially. Conversely, a request for a 3% increase in prices based only on a 3% increase in a cost-of-living index may be considered unreasonable. Although Sourcewell is sensitive to the possibility of fluctuations in raw material costs, prospective Vendors should make every reasonable attempt to account for normal cost changes by proposing pricing that will be effective throughout the duration of the four-year Contract.

**5.35.1** *Price decreases:* Sourcewell expects Vendors to propose their very best prices and anticipates price reductions that are due to advancement in technology and marketplace efficiencies.

**5.35.2** *Price increases:* A Vendor must include reasonable documentation for price-increase requests, along with both current and proposed pricing. Appropriate documentation should be attached to the Price and Product Change Request Form, including letters from suppliers announcing price increases. Price increases must not exceed the industry standard.

**5.36 through 5.37** [These sections are intentionally blank.]

**5.38** 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.

**5.39 through 5.43** [These sections are intentionally blank.]

## K. SALES TAX

**5.44** Sales and other taxes should not be included in the prices quoted. The Vendor will charge state and local sales and other applicable taxes on items for which a valid tax-exemption certification has not been provided. Each Sourcewell Member is responsible for providing verification of tax-exempt status to the Vendor. When ordering, Sourcewell Members must indicate that they are tax-exempt entities. Except as set forth herein, no party is responsible for taxes imposed on another party as a result of or arising from the transactions under a Contract resulting from this RFP.

## **L. SHIPPING**

**5.45** Shipping costs can constitute a significant portion of the overall cost of procurement. Consequently, significant weight will be given to the quality of a prospective Vendor's shipping program. Shipping charges should reasonably reflect the actual cost of shipping. Sourcewell understands that Vendors may use other shipping cost methods for simplicity or for transparency. But to the extent that shipping costs are determined to disproportionately increase a Vendor's profit, Sourcewell may reduce the points awarded in the "Pricing" criteria.

**5.46 through 5.47** [These sections are intentionally blank.]

**5.48** All shipping and restocking fees must be identified in the price program. Certain industries providing made-to-order products may not allow returns. Proposals will be evaluated not only on the actual costs of shipping, but on the relative flexibility extended to Sourcewell Members relating to restocking fees, shipping errors, customized shipping requirements, the process for rejecting damaged or delayed shipments, and similar subjects.

**5.49 through 5.50** [These sections are intentionally blank.]

**5.51** Delivered products must be properly packaged. Damaged products may be rejected. If the damage is not readily apparent at the time of delivery, the Vendor must permit the products to be returned within a reasonable time at no cost to Sourcewell or Sourcewell Members. Sourcewell and Sourcewell Members reserve the right to inspect the products at a reasonable time subsequent to delivery where circumstances or conditions prevent effective inspection of the products at the time of delivery.

**5.52** The Vendor must deliver Contract-conforming products in each shipment and may not substitute products without the express approval from Sourcewell or the Sourcewell Member.

**5.53** Sourcewell reserves the right to declare a breach of Contract if the Vendor intentionally delivers substandard or inferior products that are not under Contract and described in its paper or electronic price lists or sourced upon request of any Member under this Contract. In the event of the delivery of nonconforming products, the Sourcewell Member will notify the Vendor as soon as possible and the Vendor will replace nonconforming products with conforming products that are acceptable to the Sourcewell member.

**5.54** Throughout the term of the Contract, Proposer agrees to pay for return shipment on products that arrive in a defective or inoperable condition. Proposer must arrange for the return shipment of the damaged products.

## **6 EVALUATION OF PROPOSALS**

### **A. PROPOSAL EVALUATION PROCESS**

**6.1** The Sourcewell proposal evaluation committee will evaluate proposals received based on a 1,000 point evaluation system. The committee establishes both the evaluation criteria and designates the relative weight of each criterion by assigning possible scores for each category on Form G of this RFP. The committee

may adjust the relative weight of the criteria for each RFP. (For example, if the “Warranty” criterion does not apply to a particular RFP, the points normally awarded under “Warranty” may be used to increase the number of potential points in another evaluation category or categories.) The “Pricing” criterion will contain at least a plurality of points for every RFP.

**6.2** Sourcewell uses a scoring system that gives primary importance to “Pricing.” But pricing includes more than just the absolute lowest initial cost of purchasing, for example, a particular product. Other considerations include the total cost of the acquisition and whether the Proposer’s offering represents the best value. The evaluation committee may consider such factors as life-cycle costs, total cost of ownership, quality, and the suitability of an offering in meeting Sourcewell Members’ needs. Pricing points may be awarded based on pricing clarity and ease of use. Sourcewell may also award points based on whether a response contains exceptions, exclusions, or limitations of liabilities.

**6.3** The Sourcewell Executive Director and Chief Procurement Officer will consider making awards to the selected Proposer(s) based on the recommendations of the proposal evaluation committee. To qualify for the final evaluation, a Proposer must have been deemed responsive as a result of the criteria set forth under “Proposer Responsiveness,” found just below.

## **B. PROPOSER RESPONSIVENESS**

**6.4** All responses are evaluated for Level-One and Level-Two Responsiveness. If a response does not substantially conform to substantially all of the terms and conditions in the solicitation, or if it requires unreasonable exceptions, it may be considered nonresponsive.

**6.5** All proposals must contain suitable responses to the questions in the proposal forms. The following requirements must be satisfied in order to meet Level-One Responsiveness, which is typically ascertained on the proposal opening date. If these standards are not met, your response may be disqualified as nonresponsive.

**6.6** Level-One Responsiveness means that the response

- 6.6.1** is received before the deadline for submission or it will be returned unopened;
- 6.6.2** is properly addressed and identified as a sealed proposal with a specific RFP number and an opening date and time;
- 6.6.3** contains a pricing document (with apparent discounts) and all other forms fully completed, even if “not applicable” is the answer;
- 6.6.4** includes the original (hard copy) completed, dated, and signed RFP forms C, D, and F. In addition, the response must include the hard-copy signed signature page only from RFP Forms A and P and, if applicable, all signed addenda that have been issued in relation to this RFP;
- 6.6.5** contains an electronic (CD, flash drive, or other suitable) copy of the entire response; and

**6.7** Level-Two Responsiveness (including whether the response is within the RFP’s scope) is determined while evaluating the remaining items listed under Proposal Evaluation Criteria below. These items are not arranged in order of importance. Each item draws from multiple questions, and a Proposer’s responses may affect scoring in multiple evaluation criteria. For example, the answers to Industry-Specific Questions may help determine scoring relative to a Proposer’s marketplace success, ability to sell and service nationwide, and financial strength. Any questions not answered without an explanation will likely result in a loss of points and may lead to a nonaward if the proposal evaluation committee cannot effectively review your response.



## C. PROPOSAL EVALUATION CRITERIA

**6.8** Forms A and P include a series of questions that address the following categories:

- 6.8.1** Company Information and Financial Strength
- 6.8.2** Industry Requirements and Marketplace Success
- 6.8.3** Ability to Sell and Deliver Service Nationwide
- 6.8.4** Marketing Plan
- 6.8.5** Other Cooperative Procurement Contracts
- 6.8.6** Value-Added Attributes
- 6.8.7** Payment Terms and Financing Options
- 6.8.8** Warranty
- 6.8.9** Equipment/Products/Services
- 6.8.10** Pricing and Delivery
- 6.8.11** Industry-Specific Questions

**6.9** [This section is intentionally blank.]

## D. OTHER CONSIDERATIONS

**6.10** In evaluating RFP responses, Sourcewell has no obligation to consider information that is not provided in the Proposer's response. Sourcewell may, however, consider additional information outside the Proposer's response. This research may include such sources as the Proposer's website, industry publications, listed references, and user interviews.

**6.11** Sourcewell may organize RFP responses into separate classes or subcategories, depending on the range of responses. For example, Sourcewell might receive numerous submissions for "Widgets and Related Products and Services." Sourcewell may organize these responses into subcategories, such as manufacturers of fully operational Widgets, manufacturers of component parts for Widgets, and providers of parts and service for Widgets. Sourcewell reserves the right to award Proposers in some or all of such subcategories without regard to the evaluation score given to Proposers in another subcategory. This specifically allows Sourcewell to award Vendors that might not have, for instance, the breadth of products of Proposers in another subcategory, but that nonetheless meet a substantial and articulated need of Sourcewell Members.

**6.12** [This section is intentionally blank.]

**6.13** Sourcewell reserves the right to request and test equipment/products and related services and to seek clarification from Proposers. Before the Contract award, the Proposer must furnish the requested information within three (3) days (or within another agreed-to time frame) or provide an explanation for the delay along with a requested time frame for providing the requested information. Proposers must make reasonable efforts to supply test products promptly. All Proposer products remain the property of the Proposer, and Sourcewell will return such products after the evaluation process. Sourcewell may make provisional contract awards, subject to a Proposer's proper response to a request for information or products.

**6.14** A Proposer's past performance under previously awarded contracts to schools, governmental agencies, and not-for-profit entities is relevant in evaluating a Proposer's current response. Past performance includes the Proposer's record of conforming to published specifications and to standards of good workmanship, as well as the Proposer's history for reasonable and cooperative behavior and for commitment to Member

satisfaction. Incumbency as an awarded Vendor does not, by itself, merit positive consideration for a future Contract award.

**6.15** Sourcewell reserves the right to reject any or all proposals.

## **E. COST COMPARISON**

**6.16** Sourcewell may use a variety of evaluation methods, including cost comparisons of specific products. Sourcewell reserves the right to use this process when the proposal evaluation committee determines that this will help to make a final determination.

**6.17** This direct cost comparison process will award points 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 proposal evaluation committee, and the unit cost will be used as a basis for determining the point value. Sourcewell will select the “Market Basket” from all appropriate product categories as determined by Sourcewell.

## **F. MARKETING PLAN**

**6.18** A Proposer’s marketing plan is a critical component of the RFP response. An awarded Vendor’s sales force will likely be the primary source of communication with Sourcewell Members and will directly affect the contract’s success. Marketing success depends on communicating the contract’s value, knowing the contract thoroughly, and communicating the proper use of contracted products and services to the end user. Much of the success and sales reward is a direct result of the commitment to the contract by the awarded Vendor’s sales teams. Sourcewell reserves the right to deem a Proposer Level-Two nonresponsive or not to award a contract based on an unacceptable or incomplete marketing plan.

**6.19** Sourcewell marketing expectations include the following components.

**6.19.1** An awarded Vendor must demonstrate the ability to deploy a national sales force or dealer network. The best RFP responses demonstrate the ability to sell, deliver, and service products through acceptable distribution channels to Sourcewell members in all 50 states. Proposers’ responses should fully demonstrate their sales and service capabilities, should outline their national sales force network (both numerically geographically), and should describe their method of distribution of the offered products and related services. Service may be independent of the product sales pricing, but Sourcewell encourages related services to be a part of Proposers’ response. Despite its preference for awarding contracts to Vendors that demonstrate nationwide sales and service, Sourcewell reserves the right to award contracts that meet specific Member needs locally or regionally.

**6.19.2** Proposers are invited to demonstrate their ability to successfully market, promote, and communicate the benefits of an Sourcewell contract to current and potential Members nationwide. Sourcewell desires a marketing plan that communicates the value of the contract to as many Members as possible.

**6.19.3** Proposers are expected to be receptive to Sourcewell trainings. Awarded Vendors must provide an appropriate training venue for both management and the sales force. Sourcewell commits to providing training on all aspects of communicating the value of the awarded contract, including the authority of Sourcewell to offer the contract to its Members, the value and utility the contract delivers to Sourcewell Members, the scope of Sourcewell Membership, the authority of Members to use Sourcewell procurement contracts, the preferred marketing and sales methods, and the successful use of specific business sector strategies.

**6.19.4** Awarded Vendors are expected to demonstrate a commitment to fully embrace the Sourcewell contract. Proposers should identify both the appropriate levels of sales management

and sales force that will need to understand the value of the Sourcewell contract, as well as the internal procedures needed to deliver the appropriate messaging to Sourcewell Members. Sourcewell will provide a general schedule and a variety of methods describing when and how those individuals should be trained.

**6.19.5** Proposers should outline their proposed involvement in promoting a Sourcewell contract through applicable industry trade show exhibits and related customer meetings. Proposers are encouraged to consider participation with Sourcewell at Sourcewell-endorsed national trade shows.

**6.19.6** Proposers must exhibit the willingness and ability to actively market and develop contract-specific marketing materials including the following items.

**6.19.6.1 Complete Marketing Plan.** Proposers must submit a marketing plan outlining how they will launch the Sourcewell contract to current and potential Sourcewell Members. Sourcewell requires awarded Vendors to embrace and actively promote the contract in cooperation with Sourcewell.

**6.19.6.2 Printed Marketing Materials.** Awarded Vendors will produce and maintain full color print advertisements in camera-ready electronic format, including company logos and contact information to be used in the Sourcewell directory and other approved marketing publications.

**6.19.6.3 Contract announcements and advertisements.** Proposers should outline in the marketing plan their anticipated contract announcements, advertisements in industry periodicals, and other direct or indirect marketing activities promoting the awarded Sourcewell contract.

**6.19.6.4 Proposer's Website.** Proposers should identify how an awarded Contract will be displayed and linked on the Proposer's website. An online shopping experience for Sourcewell Members is desired whenever possible.

**6.19.7** A Sourcewell Vendor contract launch will be scheduled during a reasonable time frame after the award and held at the Sourcewell office in Staples, MN unless the Vendor and Sourcewell agree to a different location.

**6.20** Proposer shall identify their commitment to develop a sales/communication process to facilitate Sourcewell membership and establish status of current and potential agencies/members. Proposer should further express their commitment to capturing sufficient member information as is deemed necessary by Sourcewell.

## **G. CERTIFICATE OF INSURANCE**

**6.21** Proposers must provide evidence of liability insurance coverage identified below in the form of a Certificate of Insurance (COI) or an ACORD binder form with their proposal. Upon an award issued under this RFP and before the execution of any commerce relating to such award, the awarded Vendor must provide verification, in the form of a Certificate of Insurance, identifying the coverage required below and identifying Sourcewell as a "Certificate Holder." The Vendor must maintain such insurance coverage at its own expense throughout the term of any contract resulting from this solicitation.

**6.22** Any exceptions or assumptions to the insurance requirements must be identified on Form C of this RFP. Exceptions and assumptions will be considered as part of the evaluation process. Any exceptions or assumptions that Proposers submit must be specific. If a Proposer does not include specific exceptions or assumptions when submitting the proposal, Sourcewell will typically not consider any additional exceptions or assumptions during the evaluation process. Upon contract award, the awarded Vendor must provide the Certificate of Insurance identifying the coverage as specified.

**6.23 Insurance Liability Limits.** 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 will not begin until after the awarded Vendor has submitted acceptable evidence of the required insurance coverage. Failure to maintain any required insurance coverage or an acceptable alternative method of insurance will be deemed a breach of contract.

**6.23.1 Minimum Scope and Limits of Insurance.** An awarded Vendor must 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.

**6.23.1.1 Commercial General Liability—Occurrence Form**

Policy shall include bodily injury, property damage and broad form contractual liability and XCU coverage.

**6.23.1.2 Each Occurrence**

\$1,500,000

**6.24 Insurance Requirements:** The limits listed in this RFP are minimum requirements for this Contract and in no way limit any indemnity covenants contained in this Contract. Sourcewell does not warrant 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, its agents, representatives, employees, or subcontractors, and the Vendor is free to purchase additional insurance as may be determined necessary.

**6.25 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. Sourcewell does not warrant that the above required minimum insurer rating is sufficient to protect the Vendor from potential insurer solvency.

**6.26 Subcontractors:** Vendors’ certificate(s) must include all subcontractors as additional insureds under its policies, or the Vendor must furnish to Sourcewell separate certificates for each subcontractor. All coverage for subcontractors are be subject to the minimum requirements identified above.

## H. ORDER PROCESS AND/OR FUNDS FLOW

**6.27** Sourcewell Members typically issue a purchase order directly to a Vendor under a Contract resulting from this RFP. Alternatively, a separate contract may be created to facilitate acquiring products or services offered in response to this RFP. Nothing in this Contract restricts the Member and Vendor from agreeing to add terms or conditions to a purchase order or a separate contract provided that such terms or conditions must not be less favorable to Sourcewell’s Members.

**6.28 [This section is intentionally blank.]**

## I. ADMINISTRATIVE FEES

**6.29** Vendors will pay to Sourcewell an administrative fee in exchange for Sourcewell facilitating this Contract with its current and potential Members. Sourcewell may grant a conditional contract award to a Proposer if the proposed administrative fee is unclear, inadequate, or unduly burdensome for Sourcewell to administer. Sales under this Contract should not be processed until the parties resolve the administrative fee issue.

**6.29.1** The administrative fee is typically calculated as a percentage of the dollar volume of all products and services by Sourcewell Members under this Contract, including anything represented to Sourcewell Members as falling under this Contract.

**6.29.2** The administrative fee is included in, and not added to, the pricing included in Proposer's response to the RFP. Awarded Vendors must not charge Sourcewell Members more than permitted in the then current price list in order to offset the administrative fee.

**6.29.3** The administrative fee is designed to cover the costs of Sourcewell's involvement in contract management, facilitating marketing efforts, Vendor training, and any order processing tasks relating to the Contract. Administrative fees may also be used for other purposes as allowed by Minnesota law.

**6.29.4** The typical administrative fee under this Contract is two percent (2%). While Sourcewell does not dictate the particular fee percentage, we require that the Proposer articulate a specific fee in its response. For example, merely stating that "we agree to pay an administrative fee" is considered nonresponsive. Sourcewell acknowledges that the administrative fee percentage may differ between vendors, industries, and responses.

**6.29.5** Sourcewell awarded Vendors are responsible for paying the administrative fee at least quarterly and for generating all related reporting. Vendors agree to cooperate with Sourcewell in auditing these reports to ensure that the administrative fee is paid on all items purchased under the Contract.

**6.29.6** [This section is intentionally blank.]

**6.30 through 6.32** [This section is intentionally blank.]

## J. VALUE-ADDED ATTRIBUTES

**6.33 Desirability of Value-Added Attributes:** Value-added attributes in an RFP response will be given positive consideration in Sourcewell's evaluation process. Such attributes may increase the benefit of a product or service by improving functionality, performance, maintenance, manufacturing, delivery, energy efficiency, ordering, or other items while remaining within the scope of this RFP.

**6.34 Women and Minority Business Enterprise (WMBE), Small Business, and Other Favored Businesses:** Some Sourcewell Members give formal preference to certain types of vendors or contractors. Proposers should document WMBE (or other) status for both their organization and for any affiliates (e.g., supplier networks) involved in fulfilling the terms of this RFP. The ability of a Proposer to provide preferred business entity "credits" to Sourcewell and Sourcewell Members under a Contract will be evaluated positively by Sourcewell and reflected in the "value added" area of the evaluation.

**6.35 Environmentally Preferred Purchasing Opportunities:** Many Sourcewell Members consider the environmental impact of the products and services they purchase. "Green" characteristics demonstrated by Proposers will be evaluated positively by Sourcewell and reflected in the "value added" area of the evaluation. Please identify any green characteristics of any offering 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.

**6.36 Online Requisitioning Systems:** When applicable, online requisitioning systems will be viewed as a value-added characteristic. Proposers should demonstrate how their system makes online ordering easier for Sourcewell Members, including how Members could integrate their current e-Procurement or enterprise resource planning (ERP) systems into the Proposer's ordering process.

**6.37 Financing:** The ability of the Proposer to provide financing solutions to Members for the products and services being proposed will be viewed as a value-added attribute.

**6.38 Technology:** Technological advances that appreciably improve the proposed products or services will be considered value-added attributes.

## K. WAIVER OF FORMALITIES

**6.39** Sourcewell reserves the right to waive minor formalities (or to accept minor irregularities) in any proposal, when it determines that considering the proposal may be in the best interest of its Members.

## 7 POST-AWARD OPERATING ISSUES

### A. SUBSEQUENT AGREEMENTS

**7.1 Purchase Order.** Purchase orders for products and services may be executed between Sourcewell Members and the awarded Vendor (or Vendor's sub-contractors) under this Contract. Sourcewell Members and Vendors must indicate on the face of such purchase orders that "This purchase order is issued under Sourcewell contract #XXXXXX" (insert the relevant contract number). Purchase order flow and procedure will be developed jointly between Sourcewell and an awarded Vendor after an award is made.

**7.2 Governing Law.** Purchase orders must be construed in accordance with, and governed by, the laws of a competent jurisdiction with respect to the Member. (See also Section 8.5 of this RFP.) All provisions required by law to be included in the purchase order should be read and enforced as if they were included. If through mistake or otherwise any such provision is not included, then upon application of either party 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 will be a court of competent jurisdiction with respect to the Member.

**7.3 Additional Terms and Conditions.** Additional terms and conditions to a purchase order may be proposed by Sourcewell, Sourcewell Members, or Vendors. Acceptance of these additional terms and conditions is optional to all parties to the purchase order. One purpose of these additional terms and conditions is to address job- or industry-specific requirements of law such as prevailing wage legislation. Additional terms and conditions may also include specific local policy requirements and standard business practices of the issuing Member or the Vendor. Such additional terms and conditions are not considered valid to the extent that they interfere with the general purpose, intent, or currently established terms and conditions contain in this RFP document. For example, a Vendor and Member may agree to add a "net 30" payment requirement to the purchase order instead of applying a "net 10" requirement. But the added terms and conditions must not be less favorable to the Member unless Sourcewell, the Member, and the Vendor agree to a Contract amendment or similar modification.

**7.4 Specialized Service Requirements.** In the event that the Sourcewell Member desires 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, the Sourcewell Member and the 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 the Vendor. Any separate agreement developed to address these specialized service or performance requirements is exclusively between the Sourcewell Member and Vendor. Sourcewell, its agents, and employees shall not be made a party to any claim for breach of such agreement. Product sourcing is not considered a service. Sourcewell Members will need to conduct procurements for any specialized services not identified as a part of or within the scope of the awarded Contract.

**7.5 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 products and services. If a purchase order is cancelled for lack of a required performance bond by the member agency, Sourcewell recommends 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, the Member's state laws, or by local policy is to be mutually agreed upon and secured between the Vendor and the Member.

**7.6 Asset Management Contracts:** Asset Management-type Contracts can be initiated under a Contract resulting from this RFP at any time during the term of this Contract. Such a contract could involve, for example, picking up, storing, repairing, inventorying, salvaging, and delivery products falling within the scope of this Contract. The intention in using Asset Management Contracts is to promote the long-term efficiency of Sourcewell's contracts by (among other things) extending the use and re-use of products. Asset Management Contracts cannot be created under this Contract unless they are executed within the authorized term of a Contract resulting from this RFP. The actual term of the Asset Management Contract may, however, extend beyond the expiration date of this Contract.

## B. SOURCEWELL MEMBER SIGN-UP PROCEDURE

**7.7** Awarded Vendors are responsible for familiarizing their sales and service forces with the various forms of Sourcewell membership documentation and will encourage and assist potential Members in establishing membership with Sourcewell. Sourcewell membership is available at no cost, obligation, or liability to the Member or the Vendor.

## C. REPORTING OF SALES ACTIVITY

**7.8** Awarded Vendors must report at least quarterly the total gross dollar volume of all products and services purchased by Sourcewell Members as it applies to this RFP and Contract. This report must include the name and address of the purchasing agency, Member number, amount of purchase, and a description of the items purchased.

**7.8.1 Zero sales reports:** Awarded Vendors must provide a quarterly Contract sales report regardless of the amount of sales.

## D. AUDITS

**7.9** Sourcewell relies substantially on the reasonable auditing efforts of both Members and awarded Vendors to ensure that Members are obtaining the products, services, pricing, and other benefits under all Sourcewell contracts. Nonetheless, the Vendor must retain and make available to Sourcewell all order and invoicing documentation related to purchases that Members make from the Vendor under the awarded Contract. Sourcewell must not request such information more than once per calendar year, and Sourcewell must make such requests in writing with at least fourteen (14) days' notice. Sourcewell may employ an independent auditor at its own expense or conduct an audit on its own. In either event, the Vendor agrees to cooperate fully with Sourcewell or its agents in order to ensure compliance with this Contract.

## E. HUB PARTNER

**7.10 Hub Partner:** Sourcewell Members may request special services through a "Hub Partner" for the purpose of complying with a law, regulation, or rule that an Sourcewell Member deems to apply in its jurisdiction. Hub Partners may bring value to the proposed transactions through consultancy, through qualifying for disadvantaged business entity credits, or through other means.

**7.11 Hub Partner Fees:** Sourcewell Members are responsible for any transaction fees, costs, or expenses that arise under this Contract for special service provided by the Hub Partner. The fees, costs, or expenses levied by the Hub Vendor must be clearly itemized in the transaction documentation. To the extent that the Vendor stands in the chain of title during a transaction resulting from this RFP, the documentation must clearly indicate that the transaction is "Executed for the Benefit of [Sourcewell Member name]."

## F. TRADE-INS

**7.12** The value in US Dollars for Trade-ins will be negotiated between Sourcewell or an Sourcewell Member, and an Awarded Vendor. That identified “Trade-In” value shall be viewed as a down payment and credited in full against the Sourcewell purchase price identified in a purchase order issued pursuant to any Awarded Sourcewell procurement contract. The full value of the trade-in will be consideration.

## G. OUT OF STOCK NOTIFICATION

**7.13** The Vendor must immediately notify Sourcewell Members when they order an out-of-stock item. The Vendor must also tell the Member when the item will be available and whether there are equivalent substitutes. The Member must have the option of accepting the suggested substitute or canceling the item from the order. Under no circumstance may the Vendor make unauthorized substitutions. Unfilled or substituted items must be indicated on the packing list.

## H. CONTRACT TERMINATION FOR CAUSE AND WITHOUT CAUSE

**7.14** Sourcewell reserves the right to cancel all or any part of this Contract if the Vendor fails to fulfill any material obligation, term, or condition as described in the following procedure. Before any such termination for cause, Sourcewell will provide written notice to the Vendor, an opportunity to respond, and a reasonable opportunity to cure the breach. The following are some examples of material breaches.

**7.14.1** The Vendor provides products or services that do not meet reasonable quality standards and that are not remedied under the warranty;

**7.14.2** The Vendor fails to ship the products or to provide the services within a reasonable amount of time;

**7.14.3** Sourcewell reasonably believes that the Vendor will not or cannot perform to the requirements or expectations of the Contract, Sourcewell issues a request for assurance, and the Vendor fails to respond;

**7.14.4** The Vendor fails to fulfill any of the material terms and conditions of the Contract;

**7.14.5** The Vendor fails to follow the established procedure for purchase orders, invoices, or receipt of funds as established by Sourcewell and the Vendor;

**7.14.6** The Vendor fails to properly report quarterly sales;

**7.14.7** The Vendor fails to actively market this Contract within the guidelines provided in this RFP and defined in the Sourcewell contract launch.

**7.15** Upon receipt of the written notice of breach, the Vendor will have ten (10) business days to provide a satisfactory response to Sourcewell. If the Vendor fails to reasonably address all issues in the written notice, Sourcewell may terminate the Contract immediately. If Sourcewell allows the Vendor more time to remedy the breach, such forbearance does not limit Sourcewell’s authority to immediately terminate the Contract for continued breaches for which notice was given to the Vendor. Termination of the Contract for cause does not relieve either party of the financial, product, or service obligations incurred before the termination.

**7.16** Sourcewell may terminate the Contract if the Vendor files for bankruptcy protection or is acquired by an independent third party. The Vendor must disclose to Sourcewell any litigation, bankruptcy, or suspensions/disbarments that occur during the Contract period. Failure to disclose such information authorizes Sourcewell to immediately terminate the Contract.

**7.17** Sourcewell may terminate the Contract without cause by giving the Vendor sixty (60) days' written notice of termination. Termination of the Contract without cause does not relieve either party of the financial, product, or service obligations incurred before the termination.

**7.18** Sourcewell may immediately terminate any Contract without further obligation if any Sourcewell employee significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of Sourcewell has colluded with any Proposer for personal gain. Sourcewell may also immediately cancel a Contract if it finds 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 Sourcewell. Such terminations are effective upon written notice from Sourcewell or at a later date designated in the notice. Termination of the Contract does not relieve either party of the financial, product, or service obligations incurred before the termination.

## **8 GENERAL TERMS AND CONDITIONS**

### **8. ADVERTISING A CONTRACT RESULTING FROM THIS RFP**

**8.1** Proposer/Vendor must not advertise or publish information concerning this Contract before the award is announced by Sourcewell. Once the award is made, a Vendor is expected to advertise the awarded Contract to both current and potential Sourcewell Members.

### **B. APPLICABLE LAW**

**8.2** [This section is intentionally blank.]

**8.3 Sourcewell Compliance with Minnesota Procurement Law:** Sourcewell has designed its procurement process to comply with best practices in the State of Minnesota. Sourcewell's solicitation methods are also created to comply with many of the various requirements that our Members must satisfy in their own procurement processes. But these requirements may differ considerably and may change from time to time. So each Sourcewell Member must make its own determination whether Sourcewell's solicitation process satisfies the procurement rules in the Member's jurisdiction.

**8.4 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 will govern Sourcewell contracts resulting from this solicitation.

**8.5 Jurisdiction:** Any claims that arise against Sourcewell pertaining to this RFP, and any resulting contract that develops between Sourcewell and any other party, must be brought only in courts in Todd County in the State of Minnesota unless otherwise agreed to.

**8.5.1** Purchase orders or other agreements created pursuant to a contract resulting from this solicitation must be construed in accordance with, and governed by, the laws of the issuing Member. Any claim arising from such a purchase order or agreement must be filed and venued in a court of competent jurisdiction of the Member unless otherwise agreed to.

**8.6 through 8.7** [This section is intentionally blank.]

**8.8 Indemnification:** Each party is responsible for its own acts and is not responsible for the acts of the other party and the results thereof. Sourcewell's liability is governed by the Minnesota Tort Claims Act (Minn. Stat. §3.736) and other applicable law.

**8.9 Prevailing wage:** The Vendor must comply with applicable prevailing wage legislation in effect in the jurisdiction of the Sourcewell Member. The Vendor must monitor the prevailing wage rates as established

by the appropriate federal governmental entity during the term of this Contract and adjust wage rates accordingly.

**8.10 Patent and copyright infringement:** The Vendor agrees to indemnify and hold harmless Sourcewell and Sourcewell Members against any and all suits, claims, judgments, and costs instituted or recovered against the Vendor, Sourcewell, or Sourcewell Members by any person on account of the use or sale of any articles by Sourcewell or Sourcewell Members if the Vendor supplied such articles in violation of applicable patent or copyright laws.

## C. ASSIGNMENT OF CONTRACT

**8.11** No right or interest in this Contract may be assigned or transferred by the Vendor without prior written permission by Sourcewell. No delegation of any duty of the Vendor under this Contract may be made without prior written permission of Sourcewell. Sourcewell will notify Members by posting approved assignments on the Sourcewell website ([www.sourcewell-mn.gov](http://www.sourcewell-mn.gov)).

**8.12** 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 perform all obligations under this Contract. Sourcewell reserves the right to reject the acquiring entity as a Vendor. A change of name agreement will not change the contractual obligations of the Vendor.

## D. LIST OF PROPOSERS

**8.13** Sourcewell will not maintain a list of interested proposers, nor will it automatically send RFPs to them. All interested proposers must request the RFP as a result of Sourcewell's national solicitation advertisements. Because of the wide scope of the potential Members and qualified national suppliers, Sourcewell has determined this to be the best method of fairly soliciting proposals.

## E. CAPTIONS, HEADINGS, AND ILLUSTRATIONS

**8.14** The captions, illustrations, headings, and subheadings in this RFP are for convenience and ease of understanding and in no way define or limit the scope or intent of this request.

## F. DATA PRACTICES

**8.15** All materials submitted in response to this RFP become Sourcewell's property and become public records (under Minn. Stat. §13.591) after the evaluation process is completed. If the Proposer submits information in response to this RFP that it requests to be classified as nonpublic information (as defined by the Minnesota Government Data Practices Act, Minn. Stat. §13.37), the Proposer must meet the following requirements.

**8.15.1** The Proposer must make the request within thirty (30) days of the award/nonaward notification, and include the appropriate statutory justification. Pricing, marketing plans, and financial information is generally not redactable. The Sourcewell Legal Department will review the request to determine whether the information can be withheld or redacted. If Sourcewell determines that it must disclose the information upon a proper request for such information, Sourcewell will inform the Proposer of such determination.

**8.15.2** The Proposer must defend any action seeking release of the materials that it believes to be nonpublic information, and it must indemnify and hold harmless Sourcewell, its agents, and employees, from any judgments or damages awarded against Sourcewell in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the term of any contract awarded under this RFP. In submitting a response to this RFP, the Proposer agrees that this indemnification survives as long as Sourcewell possesses the confidential information.

**8.16 [This section is intentionally blank.]**

**G. ENTIRE AGREEMENT**

**8.17** This Contract, as defined herein, constitutes the entire agreement between the parties to this Contract. A Contract resulting from this RFP is formed when the vendor, Sourcewell Executive Director and Chief Procurement Officer approves and signs the applicable Contract Award & Acceptance document (Form E).

**H. FORCE MAJEURE**

**8.18** Except for payments of sums due, neither party is 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 is deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and is 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 does not include late deliveries of 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 must (if possible) notify the other party of such delay within forty-eight (48) hours.

**8.19 through 8.20 [These sections are intentionally blank.]**

**I. LICENSES**

**8.21** The Vendor must maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Sourcewell Members.

**8.22** All responding Proposers must be licensed (where required) and must have the authority to sell and distribute the offered products and services to Sourcewell and Sourcewell Members. Documentation of the required licenses and authorities, if applicable, should be included in the Proposer's response to this RFP.

**J. MATERIAL SUPPLIERS AND SUB-CONTRACTORS**

**8.23** The awarded Vendor must supply the names and addresses of sourcing suppliers and sub-contractors as a part of the purchase order when requested by Sourcewell or a Sourcewell Member.

**K. NON-WAIVER OF RIGHTS**

**8.24** No failure of either party to exercise any power given to it hereunder, nor a failure to insist upon strict compliance by the other party with its obligations hereunder, nor a custom or practice of the parties at variance with the terms hereof, nor any payment under a Contract resulting from this RFP constitutes a waiver of either party's right to demand exact compliance with the terms hereof. Failure by Sourcewell to take action or to assert any right hereunder does not constitute a waiver of such right.

**L. PROTESTS OF AWARDS MADE**

**8.25** Any protests must be filed with Sourcewell's Executive Director and must be resolved in accordance with appropriate Minnesota rules. Protests will only be accepted from Proposers. A protest of an award or nonaward must be filed in writing with Sourcewell within ten (10) calendar days after the public notice or announcement of the award or nonaward. A protest must include the following items.

**8.25.1** The name, address, and telephone number of the protester;

**8.25.2** The original signature of the protester or its representative (you must document the authority of the representative);

**8.25.3** Identification of the solicitation by RFP number;

**8.25.4** Identification of the statute or procedure that is alleged to have been violated;

**8.25.5** A precise statement of the relevant facts;

**8.25.6** Identification of the issues to be resolved;

**8.25.7** The aggrieved party's argument and supporting documentation;

**8.25.8** The aggrieved party's statement of potential financial damages; and

**8.25.9** A protest bond in the name of Sourcewell and in the amount of 10% of the aggrieved party's statement of potential financial damages.

#### **M. SUSPENSION OR DISBARMENT STATUS**

**8.26** If within the past five (5) years, any firm, business, person or Proposer responding to a Sourcewell solicitation 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 termination of a Contract. By signing the proposal affidavit, the Proposer certifies that no current suspension or debarment exists.

#### **N. AFFIRMATIVE ACTION AND IMMIGRATION STATUS CERTIFICATION**

**8.27** An Affirmative Action Plan, Certificate of Affirmative Action, or other documentation regarding Affirmative Action may be required by Sourcewell or Sourcewell Members relating to a transaction from this RFP. Vendors must comply with any such requirements or requests.

**8.28** Immigration Status Certification may be required by Sourcewell or Sourcewell Members relating to a transaction from this RFP. Vendors must comply with any such requirements or requests.

#### **O. SEVERABILITY**

**8.29** In the event that any of the terms of a Contract resulting from this RFP are in conflict with any rule, law, or statutory provision, or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, such terms will be deemed stricken from the Contract, but such invalidity or unenforceability shall not invalidate any of the other terms of an awarded Contract resulting from this RFP.

#### **P. RELATIONSHIP OF PARTIES**

**8.30** No Contract resulting from this RFP may be considered a contract of employment. The relationship between Sourcewell and an awarded Vendor is one of independent contractors, each free to exercise



judgment and discretion with regard to the conduct of their respective businesses. The parties neither intend the proposed Contract to create, nor 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.

#### **Q. PROVISIONS FOR NON-FEDERAL ENTITY PROCUREMENTS UNDER FEDERAL AWARDS OR OTHER AWARDS; AIRPORT IMPROVEMENT PROGRAM PROVISIONS**

**8.31** Procurements by Sourcewell or Sourcewell Members utilizing funds under a federal grant or contract may be subject to specific federal laws, regulations, and requirements in addition to those under state and local laws. Applicable law may include, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR Part 200 (also referred to as the “Uniform Guidance” or “EDGAR”). The terms included in this section express Proposers willingness and ability to comply with certain requirements which may be applicable to specific Sourcewell Member purchases using federal grant or contract dollars. Sourcewell Members may also require Proposers to enter into ancillary agreements, in addition to the Sourcewell contract’s general terms and conditions, to address the Member’s specific contractual needs, including contract requirements for a procurement using federal grants or contracts. Sourcewell reserves the right at any time within a contract term to require an awarded Vendor to reaffirm or resubmit proper documentation relating to these requirements. The numbering and identification contained within this section is only for reference purposes and does not identify any actual Federal designation or location of the rule. Rules are located in 2 CFR Part 200.

**8.32** Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Sourcewell reserves all rights and privileges under the applicable laws and regulations with respect to this procurement process in the event of breach of contract by either party.

**8.33** Contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

Sourcewell reserves the right to terminate any agreement resulting from this procurement process pursuant to Sourcewell RFP sections 7.13 and 7.17. Prior to any termination for cause, Sourcewell will provide written notice to the Proposer, opportunity to respond and opportunity to cure. Sourcewell reserves the right to terminate any agreement resulting from this procurement process 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.

**8.34** Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” This provision is hereby incorporated by reference into all applicable contracts.

The equal opportunity clause is incorporated by reference herein.

**8.35** Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

Proposer shall be in compliance with all applicable Davis-Bacon Act provisions.

**8.36** Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into all applicable contracts.

Proposer certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Proposer shall comply with applicable requirements as referenced above.

**8.37** Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

Proposer certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Proposer shall comply with applicable requirements as referenced above.

**8.38** Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251- 1387). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Proposer certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Proposer shall comply with applicable requirements as referenced above.

**8.39** Debarment and Suspension (Executive Orders 12549 and 12689). A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Proposer nor its principals shall be presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

**8.40** Byrd Anti-Lobbying Amendment, as amended (31 U.S.C. 1352). Proposers shall file any required certifications. Proposers shall not have used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Proposers shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Proposers shall file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 USC 1352).

**8.41** Record Retention Requirements. To the extent applicable, Proposer shall comply with the record retention requirements detailed in 2 CFR § 200.333. The Vendor further certifies that Vendor will retain all records as required by 2 CFR § 200.333 for a period of three years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

**8.42** Energy Policy and Conservation Act Compliance. To the extent applicable, Proposer shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

**8.43** Buy American Provisions Compliance. To the extent applicable, Proposer agrees to comply with 49 U.S.C. § 50101, which provides that Federal funds may not be obligated unless all steel and manufactured goods used in AIP funded projects are produced in the United States, unless the Federal Aviation Administration has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list. Purchases made in accordance with the Buy American Act shall follow the applicable procurement rules calling for free and open competition.

**8.44** Title VI Solicitation Notice. Sourcewell, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises or airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

**8.45** Trade Restriction Certification. To the extent applicable, Proposer will comply with the provision in 49 U.S.C. § 50104 regarding certification and notice requirements for firm ownership or control by one or more citizens of a foreign country listed by the Office of the United States Trade Representative as discriminating against U.S. firms.

**8.46** Procurement of Recovered Materials. To the extent applicable, Proposer agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247.

**8.47** Access to Records (2 CFR § 200.336). Proposer agrees that duly authorized representatives of an Agency shall have access to any books, documents, papers and records of Proposer that are directly pertinent to Proposer's discharge of its obligations under the Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Proposer's personnel for the purpose of interview and discussion relating to such documents.

## **9      FORMS**

**[THE REST OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK.]**



**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 Sourcewell should correspond with from now through the Award process:

Name: \_\_\_\_\_ E-Mail address: \_\_\_\_\_

***Please answer and submit the electronic version of the questions below in Microsoft Word®*** This allows Sourcewell evaluators to cut and paste your answers into a separate worksheet. Place your answer directly below each question. Sourcewell prefers a brief but thorough response to each question. Please do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; mark “NA” if the question does not apply to you (preferably with an explanation). Please create a response that is easy to read and understand. For example, you may consider using a different font and color to distinguish your answer from the questions.

**Company Information & Financial Strength**

- 1) Provide the full legal name, mailing and email addresses, tax identification number, and telephone number for your business.
- 2) Provide a brief history of your company, including your company’s core values, business philosophy, and longevity in the MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES industry.
- 3) Provide a detailed description of the products and services that you are offering in your proposal.
- 4) What are your company’s expectations in the event of an award?
- 5) Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters.
- 6) What is your US market share for the solutions that you are proposing? What is your Canadian market share, if any?
- 7) Has your business ever petitioned for bankruptcy protection? Please explain in detail.
- 8) How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.
  - a) If your company is best described as a distributor/dealer/reseller (or similar entity), please provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?
  - b) If your company is best described as a manufacturer or service provider, please describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?
- 9) If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.
- 10) Provide all “Suspension or Disbarment” information that has applied to your organization during the past ten years.
- 11) Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.

### **Industry Recognition & Marketplace Success**

- 12) Describe any relevant industry awards or recognition that your company has received in the past five years.
- 13) Supply three references/testimonials from your customers who are eligible for Sourcewell membership. At a minimum, please include the entity's name, contact person, and phone number.
- 14) Provide a list of your top five governmental or educational customers (entity name is optional), including entity type, the state the entity is located in, scope of the projects, size of transactions, and dollar volumes from the past three years.
- 15) Indicate separately what percentages of your sales are to the government and education sectors in the past three years?
- 16) List any state or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?
- 17) List any GSA contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?

### **Proposer's Ability to Sell and Deliver Service Nationwide**

- 18) Describe your company's capability to meet Sourcewell Member's needs across the country. Your response should address at least the following areas.
  - a) Sales force.
  - b) Dealer network or other distribution methods.
  - c) Service force.Please include details, such as the locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.
- 19) Describe in detail the process and procedure of your customer service program, if applicable. Please include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.
- 20)
  - a) Identify any geographic areas of the United States that you will NOT be fully serving through the proposed contract.
  - b) Identify any Sourcewell Member sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Please explain your answer. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?
- 21) Define any specific contract requirements or restrictions that would apply to our Members in Hawaii and Alaska and in US Territories.

### **Marketing Plan**

- 22) If you are awarded a contract, how will you train your sales management, dealer network, and direct sales teams (whichever apply) to ensure maximum impact? Please include how you will communicate your Sourcewell pricing and other contract detail to your sales force nationally.
- 23) Describe your marketing strategy for promoting this contract opportunity. Please include representative samples of your marketing materials in electronic format.
- 24) Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.



- 25) In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?
- 26) Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.

**Value-Added Attributes**

- 27) Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell Members. Please include details, such as whether training is standard or optional, who provides training, and any costs that apply.
- 28) Describe any technological advances that your proposed products or services offer.
- 29) Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.
- 30) Describe any Women or Minority Business Entity (WMBE) or Small Business Entity (SBE) certifications that your company or hub partners have obtained.
- 31) What unique attributes does your company, your products, or your services offer to Sourcewell Members? What makes your proposed solutions unique in your industry as it applies to Sourcewell members?
- 32) Identify your ability and willingness to provide your products and services to Sourcewell member agencies in Canada.
- 33) Sourcewell Members may intend to use funds from a federal grant or contract under the Federal Emergency Management Agency (FEMA). In that event, state your ability and willingness to complete, execute, and provide the "Required FEMA Terms and Conditions Certification" form attached as Appendix D to the RFP.

**NOTE: Questions regarding Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, and Industry Specific Items are addressed on Form P.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**PROPOSER INFORMATION**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Toll-Free Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Website Address: \_\_\_\_\_

**COMPANY PERSONNEL CONTACTS**

**Authorized signer for your organization**

Name: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

The person identified here must have proper signing authority to sign the “Proposer’s Assurance of Compliance” on behalf of the Proposer.

**Who prepared your RFP response?**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

**Who is your company’s primary contact person for this 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: \_\_\_\_\_

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by Sourcewell or included in the final contract. Sourcewell will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	Sourcewell ACCEPTS

Proposer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Sourcewell's clarification on exceptions listed above:**



**FORM D**

**Formal Offering of Proposal**  
(To be completed only by the Proposer)

MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS,  
ACCESSORIES, AND SUPPLIES

In compliance with the Request for Proposal (RFP) for MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: \_\_\_\_\_ Date: \_\_\_\_\_

Company Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

CAGE Code/DUNS: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_  
(Name printed or typed)

**FORM E**

**CONTRACT ACCEPTANCE AND AWARD**



(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 040319-XXX

Proposer's full legal name: TBD

**Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.**

The effective date of the Contract will be MM DD, YYYY and will expire on MM DD, YYYY (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

**Sourcewell Authorized Signatures:**

\_\_\_\_\_  
SOURCEWELL DIRECTOR OF COOPERATIVE CONTRACTS  
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz  
(NAME PRINTED OR TYPED)

\_\_\_\_\_  
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette  
(NAME PRINTED OR TYPED)

Awarded on MM DD, YYYY

Sourcewell Contract # 040319-XXX

**Vendor Authorized Signatures:**

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

**Vendor Name** \_\_\_\_\_

**Authorized Signatory's Title** \_\_\_\_\_

\_\_\_\_\_  
VENDOR AUTHORIZED SIGNATURE

\_\_\_\_\_  
(NAME PRINTED OR TYPED)

Executed on \_\_\_\_\_, 20\_\_

Sourcewell Contract # 040319-XXX



## **Form F**

### **PROPOSER ASSURANCE OF COMPLIANCE**

#### **Proposal Affidavit Signature Page**

#### **PROPOSER'S AFFIDAVIT**

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to Sourcewell members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of Sourcewell, or any person, firm, or corporation under contract with Sourcewell, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to Sourcewell Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify Sourcewell for reasonable measures that Sourcewell takes to uphold such a data designation.

**[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: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Authorized Name (printed): \_\_\_\_\_

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: \_\_\_\_\_

## Form G

### OVERALL EVALUATION AND CRITERIA

For the Proposed Subject MEDIUM DUTY AND COMPACT CONSTRUCTION EQUIPMENT WITH RELATED ATTACHMENTS, ACCESSORIES, AND SUPPLIES

Conformance to RFP Terms and Conditions	50	
Financial Viability and Marketplace Success	75	
Ability to Sell and Deliver Service Nationwide	100	
Marketing Plan	50	
Value-Added Attributes	75	
Warranty	50	
Depth and Breadth of Offered Products and Related Services	200	
Pricing	400	
<b>TOTAL POINTS</b>	<b>1000</b>	

Reviewed by: \_\_\_\_\_ Its \_\_\_\_\_  
 \_\_\_\_\_ Its \_\_\_\_\_



## **Form P**

### **PROPOSER QUESTIONNAIRE**

#### **Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions**

Proposer Name: \_\_\_\_\_

Questionnaire completed by: \_\_\_\_\_

#### **Payment Terms and Financing Options**

- 1) What are your payment terms (e.g., net 10, net 30)?
- 2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?
- 3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to Sourcewell. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.
- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?

#### **Warranty**

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.
  - Do your warranties cover all products, parts, and labor?
  - Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
  - Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
  - Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?
  - Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
  - What are your proposed exchange and return programs and policies?
- 6) Describe any service contract options for the items included in your proposal.

#### **Pricing, Delivery, Audits, and Administrative Fee**

- 7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.
- 8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. (Keep in mind

that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

- 9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.
- 10) The pricing offered in this proposal is
- \_\_\_\_\_ a. the same as the Proposer typically offers to an individual municipality, university, or school district.
  - \_\_\_\_\_ b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
  - \_\_\_\_\_ c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
  - \_\_\_\_\_ d. other than what the Proposer typically offers (please describe).
- 11) Describe any quantity or volume discounts or rebate programs that you offer.
- 12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.
- 13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial/pre-delivery inspection. Identify any parties that impose such costs and their relationship to the Proposer.
- 14) If travel expense, delivery or shipping is an additional cost to the Sourcewell Member, describe in detail the complete travel expense, shipping and delivery program.
- 15) Specifically describe those travel expense, shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.
- 16) Describe any unique distribution and/or delivery methods or options offered in your proposal.
- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.
- 18) Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor’s sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member’s cost of goods. (See RFP Section 6.29 and following for details.)

### **Industry-Specific Questions**

- 19) Describe any industry-specific quality management system certifications obtained by your organization.
- 20) Describe any environmental management system certifications obtained by your organization.
- 21) Describe any preventive maintenance programs that your organization offers for the solutions you are proposing in your response.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## 10 PRE-SUBMISSION CHECKLIST

Check when Completed	Contents of Your Bid Proposal	Hard Copy Required Signed and Dated	Electronic Copy Required – Flash Drive or CD
	Form A: Proposer Questionnaire with all questions answered completely	X – signature page only	X
	Form B: Proposer Information		X
	Form C: Exceptions to Proposal, Terms, Conditions, and Solutions Request	X	X
	Form D: Formal Offering of Proposal	X	X
	Form E: Contract Acceptance and Award		X
	Form F: Proposers Assurance of Compliance	X	X
	Form P: Proposer Questionnaire with all questions answered completely	X – signature page only	X
	Certificate of Insurance with \$1.5 million coverage	X	X
	Copy of all RFP Addendums issued by Sourcewell	X	X
	Pricing for all Products/Equipment/Services within the RFP being proposed		X
	Entire Proposal submittal including signed documents and forms		X
	All forms in the Hard Copy Required Signed and Dated should be inserted in the front of the submitted response, unbound		
	Package containing your proposal labeled and sealed with the following language: <b>“Competitive Proposal Enclosed, Hold for Public Opening XX-XX-XXXX”</b>		
	Response Package mailed and delivered prior to deadline to: Sourcewell, 202 12 <sup>th</sup> St NE, PO Box 219 Staples, MN 56479		

## **11 SOURCEWELL VENDOR PRICE AND PRODUCT CHANGE REQUEST FORM**

### **Section 1. Instructions for Vendor**

Requests for product or service changes, additions, or deletions will be considered at any time throughout the awarded contract term. All requests must be made in writing by completing sections 2, 3, and 4 of this Sourcewell Price and Product Change Request Form and signed by an authorized Vendor representative in section 5. All changes are subject to review by the Sourcewell Procurement Manager and to approval by Sourcewell's Chief Procurement Officer. Submit request through email to your assigned Sourcewell Contract Administrator.

Sourcewell will determine whether the request is 1) within the scope of the original RFP, and 2) in the best interests of Sourcewell and Sourcewell Members. Approved Price and Product Change Request Forms will be signed and emailed to the Vendor contact.

The Vendor must complete this change request form and individually list or attach all items or services subject to change, must provide sufficiently detailed explanation and documentation for the change, and must include a complete restatement of pricing documentation in an appropriate format (preferably Microsoft® Excel®). The pricing document must identify all products and services being offered and must conform to the following Sourcewell product/price change naming convention: (Vendor Name) (Sourcewell Contract #) (effective pricing date); for example, "Acme Widget Company #012416-AWC eff. 01-01-2017."

*NOTE:* New pricing restatements must include all products and services offered regardless of whether their prices have changed and must 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 products and related services may be added to a contract if such additions are within the scope of the original RFP.

**DELETIONS.** New products and related services may be deleted from a contract if, for example, they are no longer available or have been modified to a point where they are outside the scope of the RFP.

**PRICE CHANGES:** Vendors may request price changes if they provide sufficient rationale for the change. For example, a Vendor that manufactures products that require substantial petroleum-related material might request a 3% price increase because of a 20% increase in petroleum costs.

*Price decreases:* Sourcewell expects Vendors to propose their very best prices and anticipates that price reductions might occur because of improved technologies or marketplace efficiencies.

*Price increases:* Acceptable price increases typically result from specific Vendor cost increases. The Vendor must include reasonable justification for the price increase and must not, for example, offer merely generalized statements about an increase in a cost-of-living index. Appropriate documentation should be attached to this form, including such items as letters from suppliers announcing price increases.

Refer to the RFP for complete "Pricing" details.

### **Section 2. Vendor Name and Type of Change Request**

AWARDED VENDOR NAME:

---

SOURCEWELL CONTRACT  
NUMBER:

---

CHECK ALL CHANGES THAT APPLY:

- ☐ Adding Products/Services
- ☐ Deleting Products/Services
- ☐ Price Increase
- ☐ Price Decrease



### Section 3. Detailed Explanation of Need for Changes

List the products and/or services that are changing or being added or deleted from the previous contract price list, along with the percentage change for each item or category. (Attach a separate, detailed document if changing more than 10 items.)

--

Provide a general statement and documentation explaining the reasons for these price and/or product changes.

*EXAMPLES: 1) "All pricing for paper products and services are increased 5% because of increased raw material and transportation costs (see attached documentation of fuel and raw materials increase)." 2) "The 6400 series floor polisher is being added to the product list as a new model, replacing the 5400 series. The 6400 series 3% increase reflects technological changes that improve the polisher's efficiency and useful life. The 5400 series is now included in the "Hot List" at a 20% discount from the previous pricing until the remaining inventory is liquidated."*

--

If adding products, state how these are within the scope of the original RFP.

--

If changing prices or adding products or services, state how the pricing is consistent with existing Sourcewell contract pricing.

--

#### Section 4. Complete Restatement of Pricing Submitted

A COMPLETE restatement of the pricing, including all new and existing products and services is attached and has been emailed to the Vendor's Contract Administrator.

☐ Yes ☐ No

#### Section 5. Signatures

---

Vendor Authorized Signature

---

Date

---

Print Name and Title of Authorized Signer

---

Jeremy Schwartz  
Sourcewell Director of Cooperative Contracts and Procurement/CPO

---

Date



## Appendix A

Sourcewell on behalf of itself and its current and potential Member agencies, which includes all governmental, higher education, K-12 education, not-for-profit, tribal governmental, and all other public agencies located in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution.

For your reference, the links below include some, but not all, of the entities included in this proposal.

[http://www.usa.gov/Agencies/Local\\_Government/Cities.shtml](http://www.usa.gov/Agencies/Local_Government/Cities.shtml)

<http://nces.ed.gov/globallocator/>

[https://www.census.gov/2010census/partners/pdf/FIPS\\_StateCounty\\_Code.pdf](https://www.census.gov/2010census/partners/pdf/FIPS_StateCounty_Code.pdf)

<http://nccs.urban.org/sites/all/nccs-archive/html//PubApps/search.php>

<https://www.usa.gov/tribes#item-37647>

<http://www.usa.gov/Agencies/State-and-Territories.shtml>

[Oregon](#)

[Hawaii](#)

[Washington](#)



Appendix B - Political Subdivision List  
for HI, ID, OR, SC, UT, WA

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
County	County	County	County	County	County
Hawaii County	Ada County	Baker County	Abbeville County	Beaver County	Adams County
Kauai County	Adams County	Benton County	Aiken County	Box Elder County	Asotin County
Municipality	Bannock County	Central Oregon Intergovernmental Council	Allendale County	Cache County	Benton County
City and County of Honolulu	Bear Lake County	Clackamas County	Anderson County	Carbon County	Chelan County
Higher Education	Beneviah County	Clackamas County Service District No. 1	Bamberg County	Daggett County	Clallam County
Hawaii Community College	Bingham County	Clatsop County	Barnwell County	Davis County	Clark County
Honolulu Community College	Blaine County	Columbia County	Beaufort County	Duchesne County	Columbia County
University of Hawaii	Boise County	Coos County	Berkeley County	Duchesne County Special Service District No. 2	Cowlitz County
University of Hawaii Research Corporation	Bonner County	Crook County	Calhoun County	Emery County	Douglas County
Windward Community College	Bonneville County	Curry County	Catawba Regional Council of Governments	Five County Association of Governments	Ferry County
Education (K-12)	Boundary County	Deschutes County	Central Midlands Council of Governments	Garfield County	Franklin County
Hanalei Schools	Butte County	Douglas County	Charleston County	Grand County	Garfield County
Kamehameha Schools	Camas County	Gilliam County	Cherokee County	Iron County	Grant County
Special District	Canyon County	Grant County	Chester County	Juab County	Grays Harbor County
Hawaii Community Development Authority	Caribou County	Harney County	Chesterfield County	Kane County	Island County
Hawaii Public Housing Authority	Cassia County	Hood River County	Clarendon County	Millard County	Jefferson County
Hawaii Tourism Authority	Clark County	Jackson County	Colleton County	Morgan County	King County
Honolulu Authority for Rapid Transportation	Clearwater County	Jefferson County	Darlington County	Piute County	King County Directors' Association
Natural Energy Laboratory of Hawaii Authority	Custer County	Josephine County	Dillon County	Rich County	Kitsap County
State	Elmore County	Klamath County	Dorchester County	San Juan County	Kittitas County
Hawaii Department of Accounting and General Services	Franklin County	Lake County	Edgefield County	Sanpete County	Klickitat County
Hawaii Department of Finance and Administration	Fremont County	Lane Council of Governments	Fairfield County	Sevier County	Lewis County
Hawaii Department of Health	Gem County	Lane County	Florence County	Summit County	Lincoln County
Hawaii Employer-Union Health Benefits Trust Fund	Gooding County	Lincoln County	Georgetown County	Tooele County	Mason County
Hawaii Health Systems Corporation	Idaho County	Linn County	Greenville County	Uintah County	Okanogan County
State Of Hawaii	Jefferson County	Malheur County	Greenwood County	Utah County	Pacific County
	Jerome County	Marion County	Hampton County	Wasatch County	Pend Oreille County
	Kootenai County	Marion County Housing Authority	Horry County	Washington County	Pierce County
	Latah County	Morrow County	Jasper County	Wayne County	San Juan County
	Lemhi County	Multnomah County	Kershaw County	Weber County	Skagit County
	Lewis County	Polk County	Lancaster County	Municipality	Skamania County
	Lincoln County	Sherman County	Laurens County	Centerfield City	Snohomish County
	Madison County	Tillamook County	Lee County	City of Alpine City	Spokane County
	Minidoka County	Umatilla County	Lexington County	City of American Fork	Stevens County
	Nez Perce County	Union County	Lower Savannah Council of Governments	City of Aurora	Thurston County
	Oneida County	Wallowa County	Marion County	City of Ballard	Thurston Regional Planning Council
	Owyhee County	Wasco County	Marlboro County	City of Beaver	Wahkiakum County
	Payette County	Washington County	McCormick County	City of Blanding	Walla Walla County
	Power County	Wheeler County	Newberry County	City of Bluffdale	Whatcom County
	Shoshone County	Yamhill County	Oconee County	City of Bountiful	Whitman County
	Teton County	Municipality	Orangeburg County	City of Brigham	Yakima County
	Twin Falls County	City of Adair Village	Pickens County	City of Castle Dale	Yakima County Public Services
	Valley County	City of Albany	Richland County	City of Cedar City	Yakima Valley Conference of Governments
	Washington County	City of Amity	Saluda County	City of Cedar Hills	Municipality
	Municipality	City of Arlington	Spartanburg County	City of Centerville	City of Aberdeen
	City of Aberdeen	City of Ashland	Sumter County	City of Clearfield	City of Airway Heights
	City of Albion	City of Astoria	Union County	City of Clinton	City of Algona
	City of American Falls	City of Athena	Williamsburg County	City of Coalville	City of Anacortes
	City of Ammon	City of Aumsville	York County	City of Colorado City	City of Arlington
	City of Arco	City of Aurora	Municipality	City of Corinne City	City of Asotin
	City of Arimo	City of Baker City	City of Abbeville	City of Cottonwood Heights	City of Auburn
	City of Ashton	City of Bandon	City of Aiken	City of Delta	City of Bainbridge Island
	City of Athol	City of Banks	City of Anderson	City of Draper	City of Battle Ground
	City of Atomic City	City of Bay City	City of Barnwell	City of Duchesne	City of Bellevue
	City of Bancroft	City of Beaverton	City of Beaufort	City of East Carbon	City of Bellingham
	City of Bellevue	City of Bend	City of Belton	City of Elk Ridge	City of Benton City
	City of Blackfoot	City of Boardman	City of Bennettsville	City of Elmo	City of Blingen
	City of Bliss	City of Brookings	City of Bishopville	City of Enoch	City of Black Diamond
	City of Bloomington	City of Brownsville	City of Camden	City of Enterprise	City of Blaine
	City of Boise	City of Burns	City of Cayce	City of Ephraim	City of Bonney Lake
	City of Bonners Ferry	City of Canby	City of Charleston	City of Escalante	City of Bothell
	City of Boswell	City of Cannon Beach	City of Chester	City of Eureka	City of Bremerton
	City of Buhl	City of Canyonville	City of Clemson	City of Fairview	City of Brewster
	City of Burley	City of Carlton	City of Clinton	City of Farmington	City of Bridgeport
	City of Caldwell	City of Cascade Locks	City of Columbia	City of Farr West	City of Brier
	City of Cambridge	City of Cave Junction	City of Conway	City of Ferron	City of Buckley
	City of Carey	City of Central Point	City of Darlington	City of Fillmore	City of Burien
	City of Cascade	City of Chiloquin	City of Denmark	City of Fountain Green	City of Burlington
	City of Castleford	City of Clatskanie	City of Dillon	City of Fruit Heights	City of Camas
	City of Challis	City of Clatsop	City of Easley	City of Garland	City of Carnation
	City of Chubbuck	City of Clatsop	City of Florence	City of Grantsville	City of Cashmere
	City of Clayton	City of Clifton	City of Folly Beach	City of Green River	City of Castle Rock
	City of Clifton	City of Coeur d'Alene	City of Forest Acres	City of Gunnison	City of Centralia
	City of Coeur d'Alene	City of Coquille	City of Fountain Inn	City of Harrisville	City of Chehalis
	City of Council	City of Cornelius	City of Gaffney	City of Heber City	City of Chelan
	City of Craigmont	City of Corvallis	City of Georgetown	City of Helper City	City of Cheney
	City of Crouch				City of Chewelah

City of Culasac	City of Cottage Grove	City of Goose Creek	City of Herriman	City of Clarkston
City of Dalton Gardens	City of Cove	City of Greenville	City of Highland	City of Cle Elum
City of Dayton	City of Creswell	City of Greenwood	City of Hildale	City of Clyde Hill
City of Deary	City of Culver	City of Groer	City of Holladay	City of Colfax
City of Dietrich	City of Dallas	City of Hanahan	City of Honeyville	City of College Place
City of Donnelly	City of Damascus	City of Hardeeville	City of Hooper	City of Colville
City of Dover	City of Dayton	City of Hartsville	City of Huntington	City of Connell
City of Downey	City of Dayville	City of Inman	City of Hurricane	City of Cosmopolis
City of Driggs	City of Depoe Bay	City of Isle of Palms	City of Hyde Park	City of Covington
City of Dubois	City of Detroit	City of Johnsonville	City of Hyrum	City of Davenport
City of Eagle	City of Donald	City of Lake City	City of Irwin	City of Dayton
City of Eden	City of Drain	City of Lancaster	City of Kamas	City of Deer Park
City of Elk River	City of Dundee	City of Landrum	City of Kanab	City of Des Moines
City of Emmett	City of Dunes City	City of Laurens	City of Kaysville	City of DuPont
City of Fairfield	City of Durham	City of Liberty	City of La Verkin	City of Duval
City of Fernan Lake Village	City of Eagle Point	City of Lorin	City of Layton	City of East Wenatchee
City of Filer	City of Echo	City of Manning	City of Lehi	City of Edgewood
City of Firth	City of Elgin	City of Marion	City of Lewiston	City of Edmonds
City of Franklin	City of Enterprise	City of Mauldin	City of London	City of Electric City
City of Fruitland	City of Estacada	City of Mullins	City of Logan	City of Elensburg
City of Garden City	City of Eugene	City of Myrtle Beach	City of Mantoloking	City of Elma
City of Genesee	City of Fairview	City of New Ellenton	City of Mapleton	City of Entiat
City of Georgetown	City of Falls City	City of Newberry	City of Marriott-Slaterville	City of Enumclaw
City of Glenns Ferry	City of Florence	City of North Augusta	City of Mendon	City of Ephrata
City of Gooding	City of Forest Grove	City of North Charleston	City of Midvale	City of Everett
City of Grace	City of Fossil	City of North Myrtle Beach	City of Midway	City of Everson
City of Grand View	City of Garibaldi	City of Orangeburg	City of Milford	City of Federal Way
City of Grangeville	City of Gaston	City of Pickens	City of Millville	City of Ferndale
City of Greenleaf	City of Gates	City of Rock Hill	City of Moab	City of File
City of Hagerman	City of Gearhart	City of Seneca	City of Mona	City of Fircrest
City of Hailey	City of Gervais	City of Simpsonville	City of Monroe	City of Forks
City of Hansen	City of Gladstone	City of Spartanburg	City of Monticello	City of George
City of Harrison	City of Glendale	City of Sumter	City of Morgan	City of Gig Harbor
City of Hayden	City of Gold Beach	City of Tega Cay	City of Moroni	City of Gold Bar
City of Hazelton	City of Gold Hill	City of Travelers Rest	City of Mt. Pleasant City	City of Goldendale
City of Heyburn	City of Grants Pass	City of Union	City of Murray	City of Grand Coulee
City of Hollister	City of Greenhorn	City of Wailuku	City of Mylton	City of Grandview
City of Homedale	City of Gresham	City of Walterboro	City of Naples	City of Granger
City of Hope	City of Haines	City of Wellford	City of Nephri	City of Granite Falls
City of Horseshoe Bend	City of Halfway	City of West Columbia	City of Nibley	City of Harrington
City of Huetter	City of Halsey	City of Westminster	City of North Logan	City of Hoquiam
City of Idaho City	City of Happy Valley	City of Woodruff	City of North Ogden	City of Ilwaco
City of Idaho Falls	City of Harrisburg	City of York	City of North Salt Lake	City of Issaquah
City of Inkom	City of Helix	Town of Allendale	City of Oakley	City of Kahlstus
City of Island Park	City of Heppner	Town of Andrews	City of Ogden	City of Kalama
City of Jerome	City of Hermiston	Town of Atlantic Beach	City of Orangeville	City of Kelso
City of Juliaetta	City of Hillsboro	Town of Awendaw	City of Orem	City of Kenmore
City of Kamiah	City of Hines	Town of Aynor	City of Panguitch	City of Kennewick
City of Kellogg	City of Hood River	Town of Batesburg-Leesville	City of Park City	City of Kent
City of Kendrick	City of Hubbard	Town of Bethune	City of Parowan	City of Kettle Falls
City of Ketchum	City of Huntington	Town of Blacksburg	City of Payson	City of Kirkland
City of Kimberly	City of Idanha	Town of Blackville	City of Perry	City of Kittitas
City of Kooskia	City of Imbler	Town of Blenheim	City of Plain City	City of La Center
City of Kuna	City of Independence	Town of Bluffton	City of Pleasant Grove	City of Lucy
City of Lapwai	City of Irrigon	Town of Blythewood	City of Pleasant View	City of Lake Forest Park
City of Lava Hot Springs	City of Island City	Town of Bowman	City of Price	City of Lake Stevens
City of Lewiston	City of Jacksonville	Town of Branchville	City of Providence	City of Lakewood
City of Mackay	City of Jefferson	Town of Briarcliffe Acres	City of Provo	City of Langley
City of Malad City	City of John Day	Town of Brunson	City of Richfield	City of Leavenworth
City of Marsing	City of Johnson City	Town of Calhoun Falls	City of Richmond	City of Liberty Lake
City of McCall	City of Joseph	Town of Cameron	City of River Heights	City of Long Beach
City of McCammon	City of Junction City	Town of Campobello	City of Riverdale	City of Longview
City of Melba	City of Keizer	Town of Central	City of Riverton	City of Lynden
City of Menan	City of King City	Town of Chapin	City of Roosevelt	City of Lynnwood
City of Meridian	City of Klamath Falls	Town of Cheraw	City of Roy	City of Mabton
City of Middleton	City of La Grande	Town of Chesterfield	City of Salem	City of Maple Valley
City of Midvale	City of La Pine	Town of Clio	City of Salina	City of Marysville
City of Moscow	City of Lafayette	Town of Clover	City of Salt Lake City	City of Mattawa
City of Mountain Home	City of Lake Oswego	Town of Cottageville	City of Sandy	City of McCleary
City of Mullan	City of Lakeside	Town of Coward	City of Santa Clara	City of Medical Lake
City of Murtatough	City of Lebanon	Town of Cowpens	City of Santaquin	City of Medina
City of Nampa	City of Lincoln City	Town of Denmark	City of Saratoga Springs	City of Mercer Island
City of New Meadows	City of Lonerock	City of Donalds	City of Smithfield City	City of Mesa
City of New Plymouth	City of Lostine	Town of Due West	City of South Jordan	City of Mill Creek
City of Newdale	City of Lowell	Town of Duncan	City of South Ogden	City of Milton
City of Nezperce	City of Lyons	Town of Eastover	City of South Salt Lake City	City of Monroe
City of Notus	City of Madras	Town of Edgefield	City of South Weber	City of Montesano
City of Orofino	City of Malin	Town of Edisto Beach	City of Spanish Fork	City of Morton
City of Osburn	City of Manzanita	Town of Ehrhardt	City of Spring City	City of Moses Lake
City of Parker	City of Maupin	Town of Elgin	City of Springfield	City of Mossyrock
City of Parma	City of McMinnville	Town of Ellorree	City of St. George	City of Mountlake Terrace
City of Paul	City of Medford	Town of Estill	City of Sunnyside	City of Moxee
City of Payette	City of Metolius	Town of Eutawville	City of Sunset	City of Mt. Vernon
City of Pierce	City of Mill City	Town of Fairfax	City of Syracuse	City of Mukilteo
City of Pinehurst	City of Millersburg	Town of Ft. Mill	City of Taylorsville	City of Napavine
City of Plummer	City of Milton-Freewater	Town of Furman	City of Tooele	City of Newcastle
City of Pocatello	City of Milwaukie	Town of Gaston	City of Toiyabeville	City of Newport
City of Ponderay	City of Modalla	Town of Gifford	City of Tremonton	City of Nooksack
City of Post Falls	City of Monmouth	Town of Gilbert	City of Tropic	City of Normandy Park
City of Potlatch	City of Monroe	Town of Govan	City of Uintah	City of North Bend
City of Preston	City of Monument	Town of Gray Court	City of Vernal	City of North Bonneville
City of Priest River	City of Moro	Town of Great Falls	City of Washington	City of Oak Harbor
City of Rathdrum	City of Mosier	Town of Greeleyville	City of Washington Terrace	City of Oakville
City of Reubens	City of Mt. Angel	Town of Hampton	City of Wellington	City of Ocean Shores

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
	City of Rexburg	City of Mt. Vernon	Town of Harleyville	City of Wellsville	City of Okanogan
	City of Richfield	City of Myrtle Creek	Town of Heath Springs	City of Wendover	City of Olympia
	City of Rigby	City of Myrtle Point	Town of Hemingway	City of West Bountiful	City of Omak
	City of Riggin	City of Nehalem	Town of Hilda	City of West Haven City	City of Oroville
	City of Ririe	City of Newberg	Town of Hilton Head Island	City of West Jordan	City of Orting
	City of Roberts	City of Newport	Town of Hodges	City of West Point	City of Othello
	City of Rockland	City of North Bend	Town of Holly Hill	City of West Valley City	City of Pacific
	City of Rupert	City of North Plains	Town of Hollywood	City of Willard	City of Palouse
	City of Salmon	City of North Powder	Town of Honea Path	City of Woodland Hills	City of Pasco
	City of Sandpoint	City of Nyssa	Town of Irmo	City of Woods Cross	City of Pateros
	City of Shelley	City of Oakland	Town of Iva	Town of Alta	City of Pomeroy
	City of Shoshone	City of Oakridge	Town of Jackson	Town of Altamont	City of Port Angeles
	City of Smelterville	City of Ontario	Town of James Island	Town of Alton	City of Port Orchard
	City of Soda Springs	City of Oregon City	Town of Jamestown	Town of Amalgia	City of Port Townsend
	City of Spirit Lake	City of Paisley	Town of Jefferson	Town of Annabella	City of Poulsbo
	City of St. Anthony	City of Pendleton	Town of Jenkinsville	Town of Antimony	City of Prosser
	City of St. Charles	City of Philomath	Town of Johnston	Town of Apple Valley	City of Pullman
	City of Stanley	City of Phoenix	Town of Jonesville	Town of Ballard	City of Puyallup
	City of Star	City of Pilot Rock	Town of Kershaw	Town of Bear River City	City of Quincy
	City of Stites	City of Port Orford	Town of Kiawah Island	Town of Bicknell	City of Rainier
	City of Sugar City	City of Portland	Town of Kingstree	Town of Big Water	City of Raymond
	City of Sun Valley	City of Powers	Town of Lake View	Town of Boulder	City of Redmond
	City of Tensed	City of Prairie City	Town of Lamar South Carolina	Town of Brian Head	City of Renton
	City of Tetonia	City of Prineville	Town of Lane	Town of Bryce Canyon City	City of Republic
	City of Troy	City of Rainier	Town of Latta	Town of Cannonville	City of Richland
	City of Twin Falls	City of Redmond	Town of Lexington	Town of Castle Valley	City of Ridgefield
	City of Ucon	City of Reedsport	Town of Lincolnville	Town of Cedar Fort	City of Riverville
	City of Victor	City of Richland	Town of Little Mountain	Town of Centerfield	City of Rock Island
	City of Wallace	City of Riddle	Town of Lockhart	Town of Central Valley	City of Roslyn
	City of Weippe	City of Rockaway Beach	Town of Lyman	Town of Circleville	City of Roy
	City of Weiser	City of Rogue River	Town of Lynchburg	Town of Clarkston	City of Royal City
	City of Wendell	City of Roseburg	Town of Mayesville	Town of Clawson	City of Sammamish
	City of Weston	City of Rufus	Town of McBee	Town of Cleveland	City of SeaTac
	City of White Bird	City of Salem	Town of McClellanville	Town of Cornish	City of Seattle
	City of Wilder	City of Sandy	Town of McColl	Town of Daniel	City of Sedro-Wooley
	City of Winchester	City of Scappoose	Town of McCormick	Town of Deweyville	City of Selah
<b>Higher Education</b>	City of Scio	City of Seaside	Town of Meggett	Town of Eagle Mountain	City of Sequim
Boise State University	City of Scotts Mills	City of Seneca	Town of Moncks Corner	Town of Elmo	City of Shelton
College of Southern Idaho	City of Seaside	City of Shady Cove	Town of Mt. Pleasant	Town of Elsinore	City of Shoreline
College of Western Idaho	City of Seneca	City of Sheridan	Town of Neeses	Town of Elwood	City of Snohomish
Eastern Idaho Technical College	City of Shady Cove	City of Sherwood	Town of New Ellenton	Town of Emery	City of Snoqualmie
Idaho Division of Professional Technical Education	City of Sheridan	City of Siletz	Town of Nichols	Town of Fairfield	City of Soap Lake
Idaho State University	City of Sherwood	City of Silverton	Town of Ninety Six	Town of Francis	City of South Bend
Lewis-Clark State College	City of Siletz	City of Sisters	Town of Norris	Town of Garden City	City of Spokane
North Idaho College	City of Silvertown	City of Sodaville	Town of North	Town of Glendale	City of Spokane Valley
University of Idaho	City of Sisters	City of Spray	Town of Norway	Town of Glenwood	City of Sprague
<b>Education (K-12)</b>	City of Sodaville	City of Springfield	Town of Olanta	Town of Glenwood	City of Stanwood
Aberdeen School District No. 58	City of Spray	City of St. Helens	Town of Pacolet	Town of Gosheen	City of Stevenson
Arbon Elementary School District No. 383	City of Springfield	City of St. Paul	Town of Pageland	Town of Hanksville	City of Sultan
Avery School District	City of St. Helens	City of Stanfield	Town of Pamplico	Town of Hatch	City of Sumas
Basin School District No. 72	City of St. Paul	City of Stayton	Town of Patrick	Town of Henefer	City of Sumner
Bear Lake County School District No. 33	City of Stanfield	City of Sublimity	Town of Pawleys Island	Town of Henrieville	City of Sunnyside
Bear Lake School District No. 33	City of Stayton	City of Sumpter	Town of Pelion	Town of Hideout	City of Tacoma
Blackfoot School District No. 55	City of Sumpter	City of Sutherlin	Town of Pelzer	Town of Hinsckley	City of Takoma
Blaine County School District No. 61	City of Sutherlin	City of Sweet Home	Town of Pendleton	Town of Holden	City of Tenino
Bliss Joint School District No. 234	City of Sweet Home	City of Talent	Town of Perry	Town of Howell	City of Tieton
Bonneville Joint School District No. 93	City of Talent	City of Tangent	Town of Port Royal	Town of Huntsville	City of Toledo
Boundary County School District No. 101	City of Tangent	City of The Dalles	Town of Prosperity	Town of Joseph	City of Tonasket
Bruneau-Grand View Joint School District	City of The Dalles	City of Tigard	Town of Ravenel	Town of Junction	City of Toppenish
Buhl Joint School District No. 412	City of Tigard	City of Tillamook	Town of Reidville	Town of Kanarraville	City of Tukwila
Butte County Joint School District No. 111	City of Tillamook	City of Toledo	Town of Ridge Spring	Town of Kanosh	City of Tumwater
Caldwell School District No. 132	City of Toledo	City of Troutdale	Town of Ridgeland	Town of Kingston	City of Union Gap
Camas County School District No. 121	City of Troutdale	City of Tualatin	Town of Ridgeville	Town of Koossharem	City of University Place
Cambridge School District	City of Tualatin	City of Turner	Town of Ridgeway	Town of Leeds	City of Vader
Cascade School District No. 422	City of Turner	City of Ukiah	Town of Saint Matthews	Town of Levan	City of Vancouver
Cassia County Joint School District No. 151	City of Ukiah	City of Umatilla	Town of Saint Stephen	Town of Loa	City of Walla Walla
Castleford Joint School District No. 417	City of Umatilla	City of Union	Town of Salem	Town of Manila	City of Wapato
Challis Joint School District No. 181	City of Union	City of Unity	Town of Salley	Town of Mantua	City of Warden
Clark County School District No. 161	City of Unity	City of Vale	Town of Saluda	Town of Marysville	City of Washougal
Coeur d'Alene School District No. 271	City of Vale	City of Veneta	Town of Santee	Town of Medford	City of Wenatchee
Cottonwood Joint School District No. 242	City of Veneta	City of Vernonia	Town of Scranton	Town of Minersville	City of West Richland
Council School District No. 13	City of Vernonia	City of Waldport	Town of Seabrook Island	Town of New Harmony	City of Westport
Culdesac Joint School District No. 342	City of Waldport	City of Wallowa	Town of Sellers	Town of Newton	City of White Salmon
Dietrich School District No. 314	City of Wallowa	City of Warrenton	Town of Sharon	Town of Ophir	City of Winlock
Emmett Independent School District No. 221	City of Warrenton	City of Wasco	Town of Six Mile	Town of Orderville	City of Woodinville
Filer School District No. 413	City of Wasco	City of West Linn	Town of Snelling	Town of Paradise	City of Woodland
Firth School District No. 59	City of West Linn	City of Westfir	Town of Society Hill	Town of Paragonah	City of Yakima/Yakima County
Fremont County School District No. 215	City of Westfir	City of Weston	Town of South Congaree	Town of Portage Utah	City of Yelm
Fruitland School District No. 373	City of Weston	City of Wheeler	Town of Springdale	Town of Randolph	City of Zillah
Garden Valley School District	City of Wheeler	City of Willamina	Town of St. George	Town of Redmond	
Genesee Joint School District No. 282	City of Willamina	City of Wilsonville	Town of St. Matthews	Town of Rockville	Consolidated Borough of Quil Ceda Village
Glenns Ferry Joint School District No. 192	City of Wilsonville	City of Winston	Town of Stuckey	Town of Rocky Ridge	Grays Harbor Council of Governments
Gooding Joint School District No. 231	City of Winston	City of Wood Village	Town of Sullivan's Island	Town of Rush Valley	Town of Almira
Grace Joint School District No. 148	City of Wood Village	City of Woodburn	Town of Summerton	Town of Scipio	Town of Beaux Arts Village
Hagerman Joint School District No. 233	City of Woodburn	City of Yachats	Town of Summerville	Town of Scofield	Town of Bucoda
Hansen School District No. 415	City of Yachats	City of Yarnhill	Town of Surfside Beach	Town of Sigurd	Town of Carbonado
Highland Joint School District No. 305	City of Yarnhill	City of Yoncalla	Town of Swansea	Town of Springdale	Town of Cathlamet
Homedale School District No. 370	City of Yoncalla	Town of Bonanza	Town of Timmons ville	Town of Stockton	Town of Clyde Hill
Horseshoe Bend School District No. 73	Town of Bonanza	Town of Butte Falls	Town of Trenton	Town of Toquerville	Town of Colton
Idaho Falls School District No. 91	Town of Butte Falls	Town of Canyon City	Town of Turberville	Town of Torrey	Town of Conconully
Independent School District of Boise City	Town of Canyon City	Town of Lakeview	Town of Ulmer	Town of Trenton	Town of Concrete
Jefferson County School District No. 251	Town of Lakeview	Town of Lexington	Town of Varnville	Town of Tropic	Town of Coulee City
Jerome Joint School District No. 261	Town of Lexington		Town of Wagener	Town of Uintah	Town of Coulee Dam
Joint School District No. 2				Town of Vernon	Town of Coupeville



Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
	Kamiah School District No. 304	<b>Higher Education</b>	Town of Ward	Town of Vineyard	Town of Creston
	Kellogg Joint School District 391	Blue Mountain Community College	Town of Ware Shoals	Town of Virgin	Town of Cusick
	Kendrick Joint School District No. 283	Central Oregon Community College	Town of West Pelzer	Town of Wales	Town of Darrington
	Kimberly School District No. 414	Chemeketa Community College	Town of West Union	Town of Walkersburg	Town of Eatonville
	Kootenai School District No. 274	Clackamas Community College	Town of Whitmire	Ullinath Basin Association of Governments	Town of Elmer City
	Kuna Joint School District No. 3	Clatsop Community College	Town of Williamston	<b>Higher Education</b>	Town of Endicott
	Lake Pend Oreille School District No. 84	Columbia Gorge Community College	Town of Williston	College of Eastern Utah	Town of Fairfield
	Lakeland School District No. 272	Eastern Oregon University	Town of Winnaboro	Davis Applied Technology College	Town of Farmington
	Lapwai School District No. 341	Klamath Community College District	Town of Yemassee	Dixie Applied Technology College	Town of Friday Harbor
	Lewiston Independent School District No. 1	Lane Community College	<b>Higher Education</b>	Dixie State University	Town of Garfield
	Mackay School District No. 182	Linn-Benton Community College	Aiken Technical College	Mountainland Applied Technology College	Town of Hamilton
	Madison School District No. 321	Mt. Hood Community College	Beaufort Jasper Higher Education Commission	Rocky Mountain University of Health Professions	Town of Harrah
	Marsh Valley Joint School District No. 21	Oregon Coast Community College	Central Carolina Technical College	Salt Lake Community College	Town of Hatton
	Marsing Joint School District No. 363	Oregon Department of Community Colleges and Workforce Development	Clemson University	Snow College	Town of Hunts Point
	McCall-Donnelly Joint School District No. 421	Oregon Health and Science University	Coastal Carolina University	Southern Utah University	Town of Index
	Meadows Valley School District No. 11	Oregon Institute of Technology	College of Charleston	Tooele Applied Technology College	Town of Ione
	Melba School District No. 136	Oregon State University	Denmark Technical College	Ullinath Basin Applied Technology College	Town of La Conner
	Middleton School District No. 134	Oregon State University, Oregon Agricultural Experiment Station	Florence-Darlington Technical College	University of Utah	Town of LaCrosse
	Midvale School District No. 433	Oregon University System	Francis Marion University	University of Utah Hospitals and Clinics	Town of Lamont
	Minidoka County School District No. 331	Portland Community College	Greenville Technical College	Utah State University	Town of Latah
	Moscow School District No. 281	Portland State University	Horry-Georgetown Technical College	Utah System of Higher Education	Town of Lind
	Mountain Home School District No. 193	Reed College	Lander University	Utah Valley University	Town of Lyman
	Mountain View School District No. 244	Rogue Community College	Medical University of South Carolina	Weber State University	Town of Malden
	Mullan School District 392	Southern Oregon University	Midlands Technical College	<b>Education (K-12)</b>	Town of Mansfield
	Murtaugh Joint School District No. 418	Southern Oregon University Family Housing	Northeastern Technical College	Alpine School District	Town of Marcus
	Nampa Christian Schools Inc.	Southwestern Oregon Community College	Orangeburg-Calhoun Technical College	Beaver County School District	Town of Metaline
	Nampa School District No. 131	Tillamook Bay Community College	Piedmont Technical College	Box Elder School District	Town of Millwood
	New Plymouth School District	Treasure Valley Community College	South Carolina State Board for Technical and Comprehensive Education	CACHE County School District	Town of Naches
	Nez Perce Joint School District No. 302	Umpqua Community College	South Carolina State University	Canyons School District	Town of Nespelem
	North Gem School District No. 149	University of Oregon	South Carolina Technical College System	Carbon School District	Town of Northport
	Notus School District	Western Oregon University	Spartanburg Community College	Centro De La Familia De Utah Head Start Program School District	Town of Oakesdale
	Oneida County School District No. 351	<b>Education (K-12)</b>	Technical College of the Lowcountry	Daggett School District	Town of Odessa
	Oronino Joint School District No. 171	Adel School District 21	The Citadel	Davis School District	Town of Pe Ell
	Parma School District No. 137	Adrian School District	Tri-County Technical College	Duchesne County School District	Town of Prescott
	Payette School District No. 371	Alsea School District No. 71	Trident Technical College	Emery County School District	Town of Reardan
	Plummer-Worley Joint School District No. 44	Amity School District 41	University of South Carolina	Freedom Preparatory Academy School District	Town of Riverside
	Pocatello-Chubbuck School District No. 25	Ames School District 29	University of South Carolina, Aiken	Garfield County School District	Town of Rockford
	Post Falls School District No. 273	Arlington School District No. 3	University of South Carolina, Upstate	Grand County School District	Town of Rosalia
	Potlatch School District No. 285	Arook School District No. 81	Williamsburg Technical College	Granite School District	Town of Ruston
	Preston Joint School District No. 201	Ashland School District No. 5	Winthrop University	Iron County School District	Town of Skykomish
	Richfield School District No. 316	Ashwood School District	York Technical College	Jordan School District	Town of South Cle Elum
	Ririe Joint School District No. 252	Astoria School District No. 1C	<b>Education (K-12)</b>	Juab School District	Town of South Prairie
	Rockland School District No. 382	Athena-Weston School District No. 29R1	Abbeville County School District	Kane County School District	Town of Spangle
	Salmon River Joint School District No. 243	Baker School District No. 51	Aiken County Public Schools	Logan City School District	Town of Springdale
	Salmon School District No. 291	Bandon School District	Allendale County School District	Millard School District	Town of St. John
	Shelley School District No. 60	Banks School District No. 13	Anderson County School Districts 1 and 2 Career and Technology Center	Morgan School District	Town of Steilacoom
	Shoshone Joint School District No. 312	Beaverton School District No. 48	Anderson School District No. 1	Mountainland Head Start Program School District Office	Town of Twisp
	Snake River School District	Bend-La Pine Public Schools	Anderson School District No. 2	Murray City School District	Town of Uniontown
	Soda Springs Joint School District No. 150	Bethel School District No. 52	Anderson School District No. 3	Nebo School District	Town of Washkuta
	South Lemhi School District No. 292	Blachly School District	Anderson School District No. 4	North Sanpete County School District	Town of Waterville
	St. Maries Joint School District No. 41	Blachly School District 90	Anderson School District No. 5	North Sanpete School District	Town of Waverly
	Sugar-Salem Joint District No. 322	Brookings Harbor School District	Bamberg School District No. 1	North Summit School District	Town of Wilbur
	Swan Valley Elementary School District No. 33	Camas Valley School District	Bamberg School District No. 2	Ogden City School District	Town of Wilkeson
	Swan Valley School District No. 92	Canby School District No. 86	Barnwell School District No. 45	Park City School District	Town of Wilson Creek
	Teton County School District No. 401	Cascade School District No. 5	Beaufort County School District	Plute County School District	Town of Winthrop
	Three Creek Joint School District No. 416	Centennial School District No. 28J	Berkeley County School District	Provo City School District	Town of Woodway
	Troy School District No. 287	Central Curry School District No. 1	Blackville-Hilda Public Schools	Rich County School District	Town of Yacolt
	Twin Falls School District No. 411	Central Linn School District	Calhoun County School District	Rich School District	Town of Yarrow Point
	Valley School District No. 262	Central Point School District No. 6	Charleston County School District	Rural Utah Child Development Head Start Program School District Office	<b>Higher Education</b>
	Vallivue School District No. 139	Central School District No. 13J	Cherokee County School District	Salt Lake City School District	Bates Technical College
	Vision Charter School District # 463	Clackamas Education Service District	Chester County School District	San Juan School District	Bellevue Community College
	Wallace School District No. 393	Clatskanie School District No. 61	Chesterfield County School District	Sevier School District	Bellingham Technical College
	Weiser School District No. 431	Colton School District No. 53	Clarendon County School District No. 1	South Sanpete School District	Big Bend Community College
	Wendell School District No. 232	Columbia Gorge Education Service District	Clarendon County School District No. 2	South Summit School District	Cascadia Community College
	West Bonner County School District No. 83	Condon School District No. 25J	Clarendon County School District No. 3	Suu Head Start Program School District	Central Washington University
	West Jefferson School District No. 253	Coos Bay School District No. 9	Clover School District No. 2	Thomas Edison Charter Schools	Centralia College
	West Side School District No. 202	Coquille School District No. 8	Colleton County School District	Tintic School District	Clark College
	Whitepine Joint School District No. 288	Corbett School District No. 39	Darlington County School District	Tooele County School District	Clover Park Technical College
	Wilder School District No. 133	Corvallis School District No. 509J	Delta R-V School District	Ullinath School District	Columbia Basin Community College
<b>Special District</b>	Ada County Emergency Medical Services District	Cove School District No. 15	Dillon County School District No. 1	Wasatch County School District	Community College of Spokane
	Ada County Highway District	Crane Elementary School District	Dillon County School District No. 2	Washington County School District	Eastern Washington University
	Adams County Recreation District	Creswell School District No. 40	Dillon County School District No. 3	Wayne County School District	Edmonds Community College
	Ahsahka Water and Sewer District	Crow-Applegate-Lorane School District No. 66	Dioecese Of Charleston Schools	Weber School District	Everett Community College
	Albion Highway District	Culver School District No. 4	Dorchester School District No. 2	<b>Special District</b>	Evergreen State College
	Alpine Meadows Water and Sewer District	Dallas School District No. 2	Dorchester School District No. 4	Ash Creek Special Service District	Grays Harbor College
	American Falls Free Library District	David Douglas School District No. 40	Edgefield County Schools	Ashley Valley Water and Sewer Improvement District	Green River Community College
	American Falls Housing Authority	Dayton School District No. 8	Fairfield County School District	Ballard Water and Sewer Improvement District	Hillhine Community College
	Atlanta Highway District	Dayville School District No. 16J	Florence County School District No. 1	Bear Lake Special Service District	Lake Washington Institute of Technology
	Avery Water and Sewer District	Douglas County School District No. 2	Florence County School District No. 2	Bear River Water Conservancy District	Lower Columbia College
	Avondale Irrigation District	Douglas County School District No. 4	Florence County School District No. 3	Benchmark Water District	Northwest Indian College
	Bayview Water and Sewer District	Douglas Education Service District	Florence County School District No. 4	Benson Culinary Water Improvement District	Olympic College
	Bear Lake County Library District	Dufur School District No. 29	Florence County School District No. 5	Bona Vista Water Improvement District	Peninsula College
	Bench Sewer District	Eagle Point School District No. 9	Ft. Mill School District No. 4	Cache Mosquito Abatement District	Pierce College
	Benewah County Free Library District	Echo School District No. 5	Georgetown County School District	Cache Valley Transit District	Renton Technical College
	Big Canyon Fire District	Elgin School District	Greenville County School District	Canyonlands Health Care Special Service District	Seattle Community Colleges District VI
	Blaine County Housing Authority	Elkhorn School District No. 34	Greenwood County School District No. 50	Carbon County Housing Authority	Shoreline Community College
	Blaine County Recreation District	Enterprise School District No. 21	Greenwood School District No. 52	Carbon County Municipal Building Authority	Skiagi Valley College
	Bliss Fire District	Estacada School District No. 108	Hampton County School District No. 2	Carbon County Recreation Transportation Special Service District	South Puget Sound Community College
	Boise Basin Library District	Eugene School District No. 4J	Hampton School District No. 1	Carbon Water Conservancy District	Tacoma Community College
	Boise City/Ada County Housing Authority	Falls City School District	Horry County Schools	Castle Valley Special Service District	University of Washington
	Boise-Kung Irrigation District	Fern Ridge School District No. 28J	Jasper County School District	Cedar City Housing Authority	Walla Walla Community College
	Bonneville County Fire District No. 1	Forest Grove School District	John de la Howe School District	Cedar Mountain Fire Protection District	Washington State Board for Community and Technical Colleges
	Bruneau Valley District Library	Fossil School District 21J	Kershaw County School District	Cedarview-Montwell Special Service District	Washington State Higher Education Facilities Authority
				Central Davis County Sewer District	Washington State Student Achievement Council

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
	Bruneau Water and Sewer District	Gaston School District 511.J	Lancaster County School District	Central Iron County Water Conservancy District	Washington State University
	Buhl Highway District	Gervais School District	Laurens County School District No. 55	Central Utah Water Conservancy District	Washington State University, Vancouver
	Buhl Rural Fire Protection District	Gladstone School District	Laurens County School District No. 56	Central Weber Sewer Improvement District	Wenatchee Valley College
	Burley Highway District	Glendale School District No. 77	Lee County School District	Charleston Water Conservancy District	Western Washington University
	Caldwell Housing Authority	Glide School District	Legacy Charter Schools	Copperton Improvement District	Whitcom Community College
	Canyon Highway District No. 4	Grant County Education Service District	Lexington County School District No. 1	Cottonwood Improvement District	Yakima Valley Community College
	Cascade Rural Fire District	Grant School District No. 3	Lexington County School District No. 2	Davis Community Housing Authority	<b>Education (K-12)</b>
	Castleford Rural Fire District	Grants Pass School District No. 7	Lexington County School District No. 3	Davis County Housing Authority	Aberdeen School District No. 5
	Central Fire District	Greater Albany Public School District 8J	Lexington County School District No. 4	Davis-Salt Lake Aerial Spray Authority	Adna School District No. 226
	Central Orchards Sewer District	Gresham-Barlow School District	Lexington-Richland Counties School District No. 5	Duchesne County Upper County Water Improvement District	Almira School District No. 17
	Central Shoshone County Water District	Harney County School District No. 3	Marion County School District	Duchesne County Water Conservancy District	Anacortes School District No. 103
	Clark County District Library	Harney Education Service District	Marion County School District No. 7	Emery County Housing Authority	Arlington Public Schools
	Clarkia Free Library District	Harper School District No. 66	Marlboro County School District	Emery County Municipal Building Authority	Asotin-Anatone School District
	Clarkia Highway District	Harrisburg School District No. 7	McCormick County School District	Emery County Special Service District No. 1	Auburn School District No. 408
	Clearwater Free Library District	Helix School District No. 1-R	Newberry County School District	Emery Water Conservancy District	Bainbridge Island School District No. 303
	Clearwater Highway District	Hermiston School District	Okonee County School District	Emigration Improvement District	Battle Ground School District No. 119
	Clearwater Soil and Water Conservation District	High Desert Education Service District	Orangeburg Consolidated School District Four	Fruitland Special Service District	Bellevue Christian School District
	Clearwater Water District	Hillsboro School District No. 1J	Orangeburg County Consolidated School District No. 3	Garden City Fire District	Bellevue School District No. 405
	Consolidated Free Library District	Hood River County School District	Orangeburg County Consolidated School District No. 5	Grand County Housing Authority	Bellingham School District No. 501
	Cottonwood Highway District	Huntington School District No. 16J	Pickens County School District	Granger-Hunter Improvement District	Benge School District No. 122
	Custer Soil and Water Conservation District	Imbler School District No. 11	Richland County School District No. 1	Heber Valley Special Service District	Bethel School District No. 403
	Dietrich Fire District	InterMountain Education Service District	Richland County School District No. 2	Hooper Water Improvement District	Bickleton School District
	Dietrich Highway District	Ione School District R2	Rock Hill School District No. 3	Jensen Water Improvement District	Blaine School District No. 503
	Doumeq Highway District	Jackson County School District No. 9	Saluda School District No. 1	Johnson Water Improvement District	Boistford School District No. 234
	Downey Swan Lake Highway District	Jackson Education Service District	South Carolina Public Charter School District	Jordan Valley Water Conservancy District	Bremerton School District
	Dry Creek Cemetery Maintenance District	Jefferson County School District No. 509-J	Spartanburg County School District No. 1	Jordanville Special Service District	Brewster School District No. 111
	Eagle Fire Protection District	Jefferson School District	Spartanburg County School District No. 2	Juab Special Service Fire District	Bridgeport School District No. 75
	Eagle Sewer District	Jewell School District No. 8	Spartanburg County School District No. 3	Kane County Water Conservancy District	Brimson School District No. 46
	East Bonner County Free Library District	John Day School District No. 3	Spartanburg County School District No. 4	Kearns Improvement District	Burlington-Edison School District No. 100
	East Bonner County Library District	Johnson Valley School District No. 3	Spartanburg County School District No. 5	Lake Point Improvement District	Camas School District
	East Greenacres Irrigation District	Joseph School District No. 6	Spartanburg County School District No. 6	Logan-Cache Airport Authority	Cape Flattery School District No. 401
	Eastern Idaho Public Health District	Junction City School District No. 69	Spartanburg County School District No. 7	Maeser Water and Sewer Improvement District	Capital Region Educational Service District No. 113
	Eastern Idaho Regional Wastewater Authority	Klamath County School District	Sumter School District	Magna Mosquito Abatement District	Carbonado Historical School District No. 19
	Elk River Free Library District	Klamath Falls City Schools	Sumter School District No. 17	Magna Water District	Cascade Christian Schools
	Elmore Soil and Water Conservation District	Knappa School District	Sumter School District No. 2	Metropolitan Water District of Salt Lake and Sandy	Cascade School District No. 228
	Fenn Highway District	La Grande School District No. 1	Union County School District	Midvalley Improvement District	Cashmere School District No. 222
	Ferdinand Highway District	Lake County School District No. 7	Ware Shoals School District No. 51	Midway Sanitation District	Castle Rock School District No. 401
	Fish Haven Mosquito Abatement District	Lake Ed Service District	Williamsburg County Schools	Millford Area Healthcare Service District	Central Kitsap School District No. 401
	Fremont County District Library	Lake Oswego School District No. 7J	Williston School District No. 29	Moab Mosquito Abatement District	Central Valley School District No. 356
	Friedman Memorial Airport Authority	Lakeview School District No. 7	York School District No. 1	Moab Valley Fire Protection District	Centralia School District No. 401
	Garden Valley District Library	Lane Education Service District	<b>Special District</b>	Mountain Green Sewer Improvement District	Chehalis School District No. 302
	Garden Valley Fire Protection District	Lebanon Community School District No. 9	Abbeville Housing Authority	Mountain Regional Water Special Service District	Cheney School District No. 360
	Garden Valley Recreation District	Lincoln County School District	Aiken Housing Authority	Mountain View Special Service District	Chewelah School District No. 36
	Gateway Fire Protection District	Linn-Benton-Lincoln Education Service District	Anderson Housing Authority	Mt. Olympus Improvement District	Chief Leschi School System
	Gem County Fire Protection District	Long Creek School District No. 17	Atlantic Beach Housing Authority	North Davis County Sewer District	Chimacum School District No. 49
	Gem County Mosquito Abatement District	Lowell School District No. 71	Beaufort Housing Authority	North Davis Fire District	Clarkston School District No. J250-185
	Glenns Ferry Highway District	Mapleton School District No. 32	Beaufort-Jasper Water and Sewer Authority	North Emery Water Users Special Service District	Cle Elum-Roslyn School District
	Golden Gate Highway District No. 3	Marcola School District No. 79J	Beech Island Rural Community Water District	North Fork Special Services District	Clover Park School District No. 400
	Gooding County Memorial Hospital District	McKenzie School District	Belton-Hones Path Water Authority	North Pointe Solid Waste Special Service District	Colfax School District No. 300
	Grace District Library	McMinnville School District No. 40	Bennettsville Housing Authority	North Summit Fire District	College Place School District No. 250
	Grangeville Highway District	Medford School District No. 549C	Berea Public Service District	North Tooele County Fire Protection District	Colton School District No. 306
	Granite Reeder Water and Sewer District	Millon-Freewater School District No. 7	Berkeley County Water and Sanitation Authority	North Utah Water Conservancy District	Columbia School District No. 206
	Greater Boise Auditorium District	Mitchell School District No. 55	Big Creek Water and Sewerage District	North View Fire District	Columbia School District No. 206, Stevens County
	Greater Middleton Parks and Recreation District	Mollala River School District	Bluffton Township Fire District	Ogden Housing Authority	Columbia School District No. 400
	Greater Swan Valley Fire Protection District No. 2	Monument School District	Bolling Springs Fire District, Greenville County	Ouray Park Water Improvement District	Coville School District No. 115
	Groveland Water and Sewer District	Morrow County School District	Broad Creek Public Service District	Park City Fire Service District	Concrete School District No. 11
	Harbor View Estates Water and Sewer District	Mt. Angel School District	Buffalo-Mt. Pisgah Fire Protection District	Price River Water Improvement District	Conway Consolidated School District No. 317
	Hayden Lake Irrigation District	Multnomah Education Service District Consortium	Burton Fire District	Provo Housing Authority	Cosmopolis School District
	Hayden Lake Recreational Water and Sewer District	Myrtle Point School District	Central Midlands Regional Transit Authority	Rockville/Springdale Fire Protection District	Coulee-Hartline School District No. 151
	Hillsdale Highway District	Neah-Kah-Nie School District No. 56	Charleston Area Regional Transportation Authority	Roosevelt City Housing Authority	Coupeville School District No. 204
	Homedale Highway District	Nestucca Valley School District No. 101	Charleston County Aviation Authority	Salt Lake City Housing Authority	Crescent School District
	Hoo Doo Water and Sewer District	New Hope Christian Schools	Charleston County Housing and Redevelopment Authority	Salt Lake City Mosquito Abatement District	Creston School District No. 73
	Horseshoe Bend Fire Protection District	Newberg School District No. 29J	Charleston Housing Authority	Salt Lake County Housing Authority	Curlew School District No. 50
	Idaho Soil and Water Conservation District	North Bend School District No. 13	Charleston Naval Complex Redevelopment Authority	Sandy Suburban Improvement District	Cusick School District
	Indian Valley Rural Fire District	North Central Education Service District	Charleston Soil and Water Conservation District	Scofield Reservoir Special Service District	Darrington School District No. 330
	Iona-Bonneville Sewer District	North Clackamas School District No. 12	Cheraw Housing Authority	Sevier County Special Service District No. 1	Davenport School District No. 207
	Island Park Fire District	North Douglas School District No. 22	Chester Housing Authority	Skyline Mountain Special Service District	Dayton School District No. 2
	Jerome Highway District	North Lake School District	Chester Metropolitan District	Snyderville Basin Special Recreation District	Deer Park School District No. 414
	Jerome Recreation District	North Marion School District No. 15	Chester Sewer District	Snyderville Basin Water Reclamation District	Dieringer School District
	Jerome Rural Fire District No. 1	North Santiam School District No. 29	Coast Regional Transportation Authority	Solid Waste Special Service District No. 1	Dixie School District
	Kamiah Fire Protection District	North Wasco County School District No. 21	Columbia Housing Authority	South Davis Sewer District	East Valley School District No. 361
	Kamiah Highway District	Northwest Regional Education Service District	Conway Housing Authority	South Davis Water District	East Valley School District No. 361, Spokane County
	Ketchum Rural Fire Protection District	Nysa School District No. 26	Daniel Morgan Water District	South Ogden Conservation District	East Valley School District No. 90, Yakima County
	Kidder Harris Highway District	Oakland School District	Darlington County Fire District	South Salt Lake Valley Mosquito Abatement District	Eastmont School District No. 206
	Kingston Water District	Oakridge School District No. 76	Darlington County Water and Sewer Authority	South Summit Fire Protection District	Eatonville School District No. 404
	Kootenai County Water District No. 1	Ontario School District No. 8C	Darlington Housing Authority	South Utah Valley Solid Waste District	Edmonds School District No. 15
	Kootenai-Ponderay Sewer District	Oregon City School District No. 62	Donalds-Due West Water and Sewer Authority	South Valley Sewer District	Educational Service District No. 112
	Kootenai-Shoshone Soil and Water Conservation District	Oregon Trail School District No. 46	Dorchester County Sales Tax Transportation Authority	Southeastern Utah Housing Authority	Ellensburg School District No. 401
	Kuna Library District	Paisley School District No. 11	Dorchester County Public Services District	Spanish Valley Water and Sewer Improvement District	Elma School District No. 68
	Laclede Water District	Parkrose School District No. 3	Duncan Chapel Fire District	St. George Housing Authority	Endicott School District No. 308
	Lakes Highway District	Pendleton School District No. 16	Easley Housing Authority	Stansbury Park Improvement District	Entiat School District No. 127
	Latah County Library District	Perrydale School District No. 21J	Easley-Central Water District	Strawberry Electric Service District	Enumclaw School District No. 216
	Latah Soil and Water Conservation District	Philmath School District No. 17J	East Richland County Public Service District	Sugar House Park Authority	Ephrata School District No. 165
	Lemhi Soil and Water Conservation District	Phoenix-Talent School District	Edgefield County Water and Sewer Authority	Tabby Valley Park Special Service District	Evalline School District No. 36
	Lewiston Orchards Irrigation District	Pilot Rock School District No. 2	Florence Housing Authority	Taylorville-Bennion Improvement District	Everett School District No. 2
	Lewiston-Nez Perce County Regional Airport Authority	Pine Eagle School District No. 61	Fort Mill Housing Authority	Thompson Special Service District	Evergreen School District No. 114, Clark County
	Lincoln County Recreation District	Pinehurst School District No. 11	Frappan Public Services District	Timpangon Special Service District	Evergreen School District No. 205
	Little Blacktail Ranch Water District	Pleasant Hill School District	Gaffney Housing Authority	Tooele County Housing Authority	Federal Way Public Schools
	Little Wood River Library District	Plush School District 18	Gaston Rural Community Water District	Tooele County Recreation Special Service District	Ferndale School District No. 502
	Lizard Butte Library District	Port Orford-Langlois School District No. 2CJ	Georgetown County Water and Sewer District	Tridell-Lapoint Water Improvement District	Fife School District No. 417
	Lost River Highway District	Portland Public School District No. 1	Georgetown Housing Authority	Uintah Animal Control and Shelter Special Service District	Finley School District
	M&T Water and Sewer District	Powers School District No. 31	Gilbert-Summit Rural Water District	Uintah County Municipal Building Authority	Franklin Pierce School District No. 402
	Mackay Free Library District	Prairie City School District No. 4	Grand Strand Water and Sewer Authority	Uintah Fire Suppression Special Service District	Freeman School District No. 358
	Madison Library District	Prospect School District	Greenville Arena District	Uintah Health Care Special Service District	Garfield School District No. 302

Idaho	Oregon	South Carolina	Utah	Washington
Marsing Rural Fire District	Rainier School District No. 13	Greenville County Recreation District	Uintah Highlands Water and Sewer Improvement District	Glenwood School District
McCall Fire Protection District	Redmond School District No. 21	Greenville County Redevelopment Authority	Uintah Mosquito Abatement District	Goldsendale School District
McCall Memorial Hospital District	Redwood School District No. 105	Greenville Housing Authority	Uintah Recreation District	Grand Coulee Dam School District
Meridian Cemetery Maintenance District	Region 9 Education Service District	Greenville Transit Authority	Uintah Transportation Special Service District	Grandview School District No. 200
Meridian Library District	Reynolds School District No. 7	Greenwood Metropolitan District	Uintah Water Conservancy District	Granger School District No. 204
Meridian Rural Fire Protection District	Riddle School District No. 70	Greer Housing Authority	Unified Fire Authority	Granite Falls School District No. 332
Mica Kidd Island Fire Protection District	Riverdale School District No. 511	Hartsville Housing Authority	Utah County Housing Authority	Grapeview School District No. 54
Middleton Rural Fire District	Rogue River School District No. 35	Hilton Head No. 1 Public Service District	Utah Paiute Housing Authority	Great Northern School District
Midvale Fire Protection District	Roseburg Public Schools	Holly Springs Fire-Rescue District	Utah Transit Authority	Green Mountain School District No. 103
Minidoka County Fire Protection District	Salem-Keizer Public School District No. 241	Homeland Park Water and Sewer District	Utah Valley Dispatch Special Service District	Griffin School District No. 324
Minidoka County Highway District	Santiam Canyon School District No. 1291	James Island Public Service District	Wasatch County Fire District	Harrington Public Schools
Morland Water and Sewer District	Santiam Christian Schools	Kingslee Housing Authority	Wasatch Front Waste and Recycling District	Highland School District No. 203
Mountain Home Highway District	Scappoose School District No. 11	Lady's Island St. Helena Fire District	Wasatch Integrated Waste Management District	Highline School District No. 401
Mountain Rides Transportation Authority	Scio School District No. 95C	Lake City Housing Authority	Washington County Water Conservancy District	Hockinson School District
Nampa and Meridian Irrigation District	Seaside School District	Lancaster County Water and Sewer District	Waste Management Service District No. 5	Hood Canal School District No. 404
Nampa Highway District No. 1	Sheridan School District No. 481	Lancaster Housing Authority	Weber Basin Water Conservancy District	Hoquiam School District No. 28
Nampa Housing Authority	Sherman County School District	Lancaster Soil and Water Conservation District	Weber Fire District	Inchellum School District No. 70
New Plymouth Fire District	Sherwood School District No. 881	Laurens Housing Authority	Weber Mosquito Abatement District	Issaquah School District No. 411
North Bingham County District Library	Silver Falls School District No. 41	Lexington County Health Services District, Inc.	Weber-Box Elder Conservation District	Kahlotus School District No. 56
North Custer Hospital District	Sisters School District No. 6	Liberty-Chester-Fingerville Water District	Wellsville-Mendon Conservancy District	Kalama School District No. 402
North Kootenai Water and Sewer District	Siuslaw School District No. 971	Local Housing Authority	White City Water Improvement District	Keller School District No. 3
North Lake Recreational Sewer and Water District	South Coast Education Service District, Region No. 7	Lowcountry Regional Transportation Authority	Woodruff Fire District	Kelso School District No. 458
North Latah County Highway District	South Lane School District No. 4513	Lugoff-Elgin Water Authority		Kennewick School District No. 17
Northern Lakes Fire District	South Umpqua School District No. 19	Marion Housing Authority	<b>State</b>	Kent School District No. 415
Northside Fire District	South Wasco County School District No. 1	Marionboro County Housing Authority	Utah Department of Administrative Services	Kettle Falls School District No. 212
Notus-Parma Highway District No. 2	Southern Oregon Education Service District	McColl Housing Authority	Utah Department of Health	Kiona-Benton City School District No. 52
Oakley Highway District	Spray School District No. 1	Medical University Hospital Authority	Utah State Legislature	Kittitas School District
Oakley Library District	Springfield School District No. 19	Metropolitan Sewer Sub-District	Utah State Treasurer	Klickitat School District No. 402
Ola District Library	St. Helens School District No. 502	Mitford Water and Sewer District	<b>Tribal</b>	La Center School District
Oneida County Fire District	St. Paul School District No. 45	Mullins Housing Authority	Confederated Tribes of the Goshute Reservation	La Conner School District No. 311
Oregon Trail Recreation District	Stanfield School District No. 61	Murrells Inlet-Garden City Fire District	Kanosh Band of the Paiute Indian Tribe of Utah	LaCrosse School District
Outlet Bay Water and Sewer District	Sutherlin School District No. 130	Myrtle Beach Air Force Base Redevelopment Authority	Koosharem Band of the Paiute Indian Tribe	Lake Chelan School District No. 129
Panhandle Health District	Sweet Home School District No. 55	Myrtle Beach Housing Authority	Northwestern Band of Shoshone Nation	Lake Quinalt School District No. 97
Parma Rural Fire Protection District	Three Rivers School District	Newberry County Water and Sewer Authority	Northwestern Band of the Shoshone Nation Housing Authority	Lake Stevens School District No. 4
Pine Ridge Water and Sewer District	Tigard-Tualatin School District No. 231	Newberry Housing Authority	Paiute Indian Tribe of Utah	Lake Washington School District No. 414
Pinehurst Water District	Tillamook School District No. 9	North Charleston Housing Authority	Skull Valley Band of Goshute Indians	Lakewood School District No. 306
Pioneer Irrigation District	Ukiah School District No. 80	North Charleston Sewer District	Ute Indian Tribe	Lamont School District
Placerville Fire Protection District	Umatilla School District No. 6	North Greenville Fire District		Liberty School District No. 362
Pocatello Housing Authority	Union School District 5	Oconee County Joint Regional Sewer Authority		Lind School District
Pocatello-Chubbuck Auditorium District	Vale School District No. 84	Parker Sewer and Fire Subdistrict		Longview School District No. 122
Portneuf District Library	Vernonia School District No. 471	Patriots Point Development Authority		Loon Lake School District No. 183
Post Falls Highway District	Wallowa School District No. 12	Pee Dee Regional Airport District		Lopez Island School District No. 144
Power County Highway District	Warrenton-Hammond School District No. 30	Pee Dee Regional Transportation Authority		Lyle School District No. 406
Prairie Highway District	West Linn-Wilsonville School District	Piedmont Public Service District		Lynden School District No. 504
Prairie-River Library District	Willamette Education Service District	Pioneer Rural Water District		Mabton School District No. 120
Progressive Irrigation District	Willamina School District No. 301	Powersville Water District		Mansfield School District No. 207
Raft River Highway District	Winston-Dillard School District No. 116	Richland-Lexington Airport District		Manson School District
Rapid River Water and Sewer District	Woodburn School District No. 103	Richland-Lexington Riverbanks Park District		Mary M. Knight School District
Richfield District Library	Yamhill-Carlton School District No. 1	Rock Hill Housing Authority		Mary Walker School District No. 207
Riverside Independent Water District	Yoncalla School District No. 32	Saluda County Water and Sewer Authority		Marysville School District No. 25
Rock Creek Fire District	<b>Special District</b>	Sandy Springs Water District		McCleary School District No. 65
Rockland Rural Fire District	Adair Rural Fire Protection District	Santee Fire Service District		Mead School District No. 354
Rogerson Water District	Amity Fire District	Santee Waterree Regional Transportation Authority		Medical Lake School District No. 326
Ross Point Water District	Applegate Valley Fire District No. 9	Sheldon Township Fire District		Mercer Island School District No. 400
Sagle Fire District	Arch Cape Sanitary District	Slater-Marietta Fire District		Meridian School District No. 505
Salmon River Clinic Hospital District	Arch Cape Water District	South Carolina Housing Authority Bond Council		Methow Valley School District
Sam Owen Fire District	Arnold Irrigation District	South Carolina Public Employee Benefit Authority		Monroe School District No. 103
Santa-Fernwood Water and Sewer District	Aumsville Rural Fire District	South Carolina Regional Housing Authority No. 1		Montesano School District No. 66
Schweitzer Fire-Rescue District	Baker County Library District	South Carolina Regional Housing Authority No. 3		Morton School District No. 214
Settlers Irrigation District	Baker Rural Fire Protection District	South Carolina State Education Assistance Authority		Moses Lake School District No. 161
Shelley/Firth Fire District	Baker Valley Soil and Water Conservation District	South Carolina State Fiscal Accountability Authority		Mossyrock School District No. 206
Shoshone City & Rural Fire District	Bandan Rural Fire Protection District	South Carolina State Housing Finance and Development Authority		Mt. Adams School District No. 209
Shoshone County Fire Protection District No. 2	Barlow Water Improvement District	South Carolina State Ports Authority		Mt. Baker School District No. 507
Shoshone Highway District No. 2	Bay Area Hospital District	South Greenville Fire District		Mt. Vernon School District No. 320
South Bannock Library District	Bend Parks and Recreation District	South Island Public Service District		Mukilteo School District No. 6
South Bingham Soil Conservation District	Beverly Beach Water District	Southside Rural Community Water District		Naches Valley School District No. 3
South Boundary Fire Protection District	Black Butte Ranch Rural Fire Protection District	Spartanburg Housing Authority		Napavine School District No. 14
South Custer Fire District	Blue Mountain Hospital District	Spartanburg Regional Health Services District		Naselle-Grays River Valley School District No.165
South Fork Coeur d'Alene River Sewer District	Blue River Water District	St. Andrews Public Service District South Carolina		Nespelem School District No. 14
South Latah Highway District	Boardman Fire Protection District	St. John's Fire District		Newport School District No. 56-415
Southside Water and Sewer District	Boardman Rural Fire Protection District	Starr-Iva Water and Sewer District		Nine Mile Falls School District No. 325/179
Southwestern Idaho Cooperative Housing Authority	Boring Water District No. 24	Starx-Jackson-Wellford-Duncan Water District		Nooksack Valley School District No. 506
St. Maries Fire Protection District	Boulder Creek Retreat Special Road District	Sumter Housing Authority		North Beach School District No. 64
Star Joint Fire District	Brownsville Rural Fire District	Talatha Rural Community Water District		North Franklin School District No. 51
Star Sewer and Water District	Buell-Red Prairie Water District	Taylor's Fire and Sewer District		North Kitsap School District No. 400
Sun Valley Water and Sewer District	Bunker Hill Sanitary District	Three Rivers Solid Waste Authority		North Mason School District
Sunset Heights Water District	Burlington Water District	Tigerville Fire District		North Thurston Public Schools
Targhee Regional Public Transit Authority	Camellia Park Sanitary District	Tri-County Solid Waste Authority		Northport School District No. 211
Targhee Regional Public Transportation Authority	Cannon Beach Rural Fire Protection District	Union Housing Authority		Northshore School District No. 417
Teton County Fire Protection District	Central Lincoln People's Utility District	Valley Public Service Authority		Oak Harbor School District No. 201
Three Creek Highway District	Central Oregon Irrigation District	Waccamaw Regional Transportation Authority		Oakdale School District No. 324
Three Mile Water District	Central Oregon Park and Recreation District	Wedgefield Stateburg Water District		Oakville School District No. 400
Timberlake Fire Protection District	Central Oregon Regional Housing Authority	West Anderson Water District		Ocean Beach School District No. 101
Twin Falls Highway District	Charleston Fire District	Westview-Fairforest Fire District		Ocosta School District No. 172
Twin Falls Housing Authority	Charleston Sanitary District	Whitney Fire Protection District		Odessa School District No. 105
Twin Falls Rural Fire Protection District	Chehalis Park and Recreation District	Williamsburg County Transit Authority		Okanagan School District No. 105
Twin Ridge Rural Fire District	Chenoweth Water Public Utility District	Williamsburg County Water and Sewer Authority		Olympia School District No. 111
Union Independent Highway District	Chiloquin-Agency Lake Rural Fire Protection District	Woodruff Housing Authority		Olympic Educational Service District
Upper Fords Creek Rural Fire District	Christmas Valley Domestic Water Supply District	Woodruff-Roebeck Water District		Omak School District No. 19
Warm Lake Recreational Water District	Christmas Valley Park and Recreation District	York County Natural Gas Authority		Onalaska School District No. 300
Wendell Highway District	Clackamas County Fire District No. 1			Onion Creek School District No. 30
West Boise Sewer District	Clackamas County Housing Authority			Orcas Island School District No. 137
West Bonner Library District	Clackamas County Soil and Water Conservation District			Orchard Prairie School District No. 123
West Bonner Water and Sewer District	Clatskanie Park and Recreation District			Orient School District No. 65
		<b>State</b>		
		Santee-Lynch Regional Council of Governments		
		South Carolina Department of Health and Environmental Control		
		South Carolina Department of Mental Health		

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
	West Pend Oreille Fire District	Clatskanie People's Utility District	South Carolina Department of Revenue		Oroville School District No. 410
	Western Ada Recreation District	Clatskanie Rural Fire Protection District	South Carolina General Services Division		Orting School District No. 344
	Western Elmore County Recreation District	Clatsop Care Center Health District	South Carolina Office of Regulatory Staff		Othello School District
	Wilder Irrigation District	Clatsop County Housing Authority	South Carolina State Budget and Control Board		Palisades School District No. 102
	Wilder Public Library District	Cloverdale Rural Fire Protection District	South Carolina State Treasurer's Office		Palouse School District No. 301
	Wilder Rural Fire Protection District	Coburg Rural Fire Protection District	State Of South Carolina		Pasco School District No. 1
	Wilderness Ranch Fire Protection District	Colton Fire District	<b>Township</b>		Pateros School District
	Winona Highway District	Colton Water District	Township of Grand Meadow		Paterson School District No. 50
	Worley Fire District	Columbia Corridor Drainage Districts Joint Contracting Authority	<b>Tribal</b>		Pe Ell School District No. 301
	Worley Highway District	Columbia Health District	Catawba Indian Nation		Peninsula School District
<b>State</b>		Columbia Improvement District			Pioneer School District No. 402
Idaho Department of Administration		Columbia River People's Utility District			Pomeroy School District No. 110
Idaho Department of Health and Welfare		Columbia Soil and Water Conservation District			Port Angeles School District No. 121
State Of Idaho		Coos County Airport District			Port Townsend School District No. 50
<b>Tribal</b>		Coos County Library Service District			Prescott School District No. 402-37
Coeur d'Alene Tribe		Coquille Indian Housing Authority			Pride Prep Schools
Kootenai Tribe of Idaho		Coquille Valley Hospital District			Prosser School District No. 116
Nez Perce Tribal Enterprises		Corbett Water District			Puget Sound Educational Service District
Nez Perce Tribe		Corvallis Rural Fire Protection District			Pullman School District No. 267
Shoshone-Bannock Tribes		Cove Rural Fire Protection District			Puyallup School District No. 3
		Crooked River Ranch Rural Fire Protection District			Queets-Clearwater School District No. 20
		Crooked River Ranch Special Road District			Quillcene School District No. 48
		Curry Health District			Quillayute Valley School District No. 402
		Curry Public Library District			Quincy School District No. 144
		Dallas Cemetery District No. 4			Rainier School District No. 307
		Dean Minard Water District			Raymond School District No. 116
		Dee Rural Fire Protection District			Reardan-Edwall School District
		Deschutes County 911 Service District			Renton School District No. 403
		Deschutes County Rural Fire District No. 1			Republic School District
		Deschutes Valley Water District			Richland School District No. 400
		Devils Lake Water Improvement District			Ridgefield School District No. 122
		Dexter Rural Fire Protection District			Ritzville School District
		Douglas County Fire District No. 2			Riverside School District
		Douglas County Housing Authority			Riverview School District No. 407
		Douglas Soil and Water Conservation District			Rochester School District
		Drakes Crossing Rural Fire Protection District			Rosalia School District No. 320
		Dufur Recreation District			Royal School District
		Eagle Valley Soil and Water Conservation District			San Juan Island School District No. 149
		East Fork Irrigation District			Satsop School District No. 104
		East Multnomah Soil and Water Conservation District			Seattle Public Schools
		East Umatilla County Health District			Sedro-Woolley School District No. 101
		East Valley Water District			Selah School District No. 119
		Echo Rural Fire District			Selkirk School District No. 70
		Elsie-Vinemapple Rural Fire Protection District No. 11			Sequim School District No. 323
		Emerald People's Utility District			Shaw Island School District No. 10
		Estacada Rural Fire District No. 69			Shelton School District No. 309
		Fairview Water District			Shoreline School District No. 412
		Falcon Cove Beach Water District			Skykomish School District
		Farmers Irrigation District			Snohomish School District No. 201
		Gardiner Sanitary District			Snoqualmie Valley School District No. 410
		Gaston Rural Fire District			Soap Lake School District No. 156
		Gates Rural Fire Protection District			South Bend School District No. 118
		Gearhart Rural Fire Protection District			South Kitsap School District No. 402
		Glendale Rural Fire Protection District			South Whidbey School District No. 206
		Glenneden Sanitary District			Southside School District
		Goshen Fire District			Spokane Public Schools
		Government Camp Sanitary District			Sprague School District
		Grand Ronde Sanitary District			St. John School District No. 322
		Grant County Transportation District			Stanwood-Camano School District No. 401
		Grant Soil and Water Conservation District			Steilacoom Historical School District No. 1
		Grants Pass Irrigation District			Steptoe School District No. 304
		Green Sanitary District			Stevenson-Carson School District No. 303
		Hahlen Road Special District			Sultan School District No. 311
		Halsey-Shedd Rural Fire Protection District			Summit Valley School District 202
		Hamlet Rural Fire Protection District			Sumner School District No. 320
		Harbor Sanitary District			Sunnyside School District No. 201
		Harbor Water Public Utility District			Tacoma School District No. 10
		Harney District Hospital			Taholah School District No. 77
		Harney Soil and Water Conservation District			Tahoma School District No. 409
		Harriman Rural Fire Protection District			Tekoa School District No. 265
		Hazeldell Rural Fire Protection District			Tenino School District No. 402
		Hebo Joint Water and Sewer Authority			Thorp School District No. 400
		Heceta Water District			Toledo School District No. 237
		Hermiston Cemetery District			Tonasket School District
		Hermiston Fire and Emergency Services District			Toppenish School District No. 202
		Hermiston Irrigation District			Touchet School District No. 300
		Hood River County Library District			Toutle Lake School District No. 130
		Hood River County Transportation District			Trout Lake School District No. R-400
		Hood River Valley Parks and Recreation District			Tukwila School District No. 406
		Hoodland Fire District No. 74			Tumwater School District No. 33
		Hubbard Rural Fire Protection District			Union Gap School District No. 2
		Ice Fountain Water District			University Place School District No. 83
		Illinois Valley Rural Fire Protection District			Valley School District
		Ione Rural Fire Protection District			Valley School District No. 70
		Irrigon Community Park and Recreation Maintenance District			Vancouver School District No. 37
		Jackson County Airport Authority			Vashon Island School District No. 402
		Jackson County Fire District No. 3			Wahkiakum School District No. 200
		Jackson County Fire District No. 5			Wahluke School District No. 73
		Jackson County Housing Authority			Waitsburg School District
		Jackson County Library District			Walla Walla School District No. 140
		Jackson County Vector Control District			Wapato School District No. 207
		Jackson Soil and Water Conservation District			Warden School District No. 146-161
		Jefferson Rural Fire Protection District			Washington Schools Risk Management Pool
		John Day/Canyon City Parks and Recreation District			Washington State Educational Service District

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
		Junction City Rural Fire Protection District Juniper Flat Rural Fire Protection District Keating Soil and Water Conservation District Ketzer Rural Fire Protection District Keno Fire Protection District Kernville-Glenden Beach-Lincoln Beach Water District Klamath County Fire District No. 1 Klamath County Library Service District Klamath Housing Authority Klamath Irrigation District Klamath Vector Control District La Grande Rural Fire Protection District La Pine Park and Recreation District La Pine Rural Fire Protection District La Pine Water District Lake District Hospital Lake Grove Water District Lakeside Fire District No. 4 Lane County Fire District No. 1 Lane Library District Lane Transit District Langlois Water District LaPine Special Sewer District Lebanon Aquatic District Lebanon Fire District Lewis and Clark Rural Fire Protection District Libby Drainage District Linn Benton Housing Authority Lookingglass Rural Fire District Lorane Rural Fire Protection District Lowell Rural Fire Protection District Lower Umpqua Hospital District Lusted Water District Madras Aquatic Center District Malheur County Housing Authority Malin Rural Fire Protection District Mapleton Water District Marion County Fire District No. 1 Marion Soil and Water Conservation District Medford Irrigation District Merrill Rural Fire Protection District Metro McMinnville Water & Light Mid-County Cemetery Maintenance District Middle Fork Irrigation District Miles Crossing Sanitary Sewer District Mill City Rural Fire Protection District Milton-Freewater Water Control District Mist-Birkenfeld Rural Fire Protection District Mohawk Valley Rural Fire District Molalla River Improvement District Molalla Rural Fire Protection District No. 73 Monroe Rural Fire Protection District Morrow County Health District Mountain View Hospital District Mt. Angel Fire District Multnomah County Drainage District No. 1 Multnomah County Rural Fire Protection District No. 10 Multnomah County Rural Fire Protection District No. 14 Nesika Beach-Ophir Water District Neskowin Regional Sanitary Authority Neskovin Regional Water District Nestucca Rural Fire Protection District Netarts-Oceanside Sanitary District Netarts-Oceanside Rural Fire Protection District North Bay Rural Protection Fire District North Bend City/Coos-Curry Housing Authority North Central Public Health District North Clackamas Parks and Recreation District North County Recreation District North Gilliam Cemetery District North Gilliam County Rural Fire Protection District North Lincoln Fire and Rescue District No. 1 North Powder Rural Fire Protection District North Sherman County Rural Fire Protection District North Unit Irrigation District Northeast Oregon Housing Authority Northern Wasco County Park and Recreation District Northern Wasco County People's Utility District Northwest Oregon Housing Authority Nyssa Road Assessment District No. 2 Nyssa Rural Fire Protection District Oak Hill Sanitary District Oak Lodge Sanitary District Oak Lodge Water District Oceanside Water District Ochoo West Sanitary District Odell Sanitary District Ontario Library District Oregon Fire Districts Association Oregon Infrastructure Finance Authority Oregon Trail Library District Oregon Water Wonderland Unit II Sanitary District Owyhee Irrigation District			Washougal School District Washtucna School District Waterville School District No. 209 Wellpinit School District Wenatchee School District No. 246 West Valley School District No. 208, Yakima County West Valley School District No. 363, Spokane County White Pass School District No. 303 White River School District No. 416 White Salmon Valley School District No. 405-17 Wilbur School District No. 200 Willapa Valley School District No. 160 Wilson Creek School District Winlock School District No. 232 Wishkah Valley School District No. 117 Woodland School District No. 404 Yakima School District No. 7 Yelm Community School District No. 2 Zillah School District No. 205
					<b>Special District</b>
					Acme Water District No. 18 Adams County Fire Protection District No. 1 Adams County Mosquito Control District Aeneas Lake Irrigation District Alderwood Water and Wastewater District Alpine Water District Anacortes Housing Authority Annapolis Water District Asotin County Cemetery District No. 1 Asotin County Conservation District Asotin County Fire District No. 1 Asotin County Housing Authority Asotin County Public Utility District No. 1 Badger Mountain Irrigation District Bainbridge Island Metropolitan Park and Recreation District Basin City Water/Sewer District Bayview Beach Water District Beacon Hill Water and Sewer District Beehive Irrigation District Belfair Water District No. 1 Bellevue Convention Center Authority Bellingham Housing Authority Bellingham Public Development Authority Benton County Diking District No. 1 Benton County Fire Protection District No. 1 Benton County Fire Protection District No. 2 Benton County Fire Protection District No. 4 Benton County Fire Protection District No. 5 Benton County Fire Protection District No. 6 Benton County Mosquito Control District Benton County Public Utility District No. 1 Benton Irrigation District Benton-Franklin Health District Beverly Water District Birch Bay Water and Sewer District Black Diamond Water District Bremerton Housing Authority Buckhannon-Upshur County Airport Authority Burbank Irrigation District No. 4 Carnhope Irrigation District No. 7 Cascadia Conservation District Cedar River Water and Sewer District Central Klickitat County Park and Recreation District Central Pierce Fire and Rescue District No. 6 Central Puget Sound Regional Transit Authority Central Valley Ambulance Authority Chelan County Fire District No. 1 Chelan County Fire District No. 3 Chelan County Fire District No. 5 Chelan County Fire District No. 6 Chelan County Fire District No. 7 Chelan County Fire District No. 8 Chelan County Fire District No. 9 Chelan County Public Hospital District No. 1 Chelan County Public Utility District No. 1 Chelan County/Wenatchee Housing Authority Chelan-Douglas Health District Chinook Water District Chuckanut Community Forest Park District Clallam Conservation District Clallam County Fire District No. 2 Clallam County Fire District No. 5 Clallam County Fire District No. 6 Clallam County Fire Protection District No. 1 Clallam County Fire Protection District No. 3 Clallam County Fire Protection District No. 4 Clallam County Hospital District No. 1 Clallam County Housing Authority Clallam County Parks and Recreation District No. 1 Clallam County Public Hospital District No. 2 Clallam County Public Utility District No. 1 Clark County Fire District No. 10 Clark County Fire District No. 11 Clark County Fire District No. 13

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
		Pacific City Joint Water Sanitary Authority			Clark County Fire District No. 5
		Pacific Communities Health District			Clark County Fire Protection District No. 3
		Palatine Hill Water District			Clark County Fire Protection District No. 6
		Peninsula Drainage District No. 1			Clark County Public Utility District No. 1
		Peninsula Drainage District No. 2			Clark Regional Wastewater District
		Pilot Rock Fire Protection District			Cline Irrigation District
		Pine Grove Rural Fire Protection District			Clinton Water District
		Pleasant Hill Rural Fire Protection District			Coal Creek Utility District
		Pleasant Home Water District			Columbia Conservation District
		Polk County Fire District No- 1			Columbia County Fire District No. 3
		Polk County Housing Authority			Columbia County Public Hospital District No. 1
		Polk Soil and Water Conservation District			Columbia County Rural Library District
		Portland Metropolitan Area Water District			Columbia Irrigation District
		Public Procurement Authority			Columbia Valley Water District
		Rainbow Water District			Colville Indian Housing Authority
		Raleigh Water District			Consolidated Irrigation District No. 14
		Redmond Area Park and Recreation District			Covington Water District
		Riddle Rural Fire District			Cowiche Sewer District
		River Forest Acres Special Road District			Cowlitz County Cemetery District No. 2
		River Road Park and Recreation District			Cowlitz County Fire District No. 6
		Rivergrove Water District			Cowlitz County Public Utility District No. 1
		Roads End Sanitary District			Cowlitz Transit Authority
		Roberts Creek Water District			Cross Valley Water District
		Rockwood Water People's Utility District			Dallesport Water District
		Rogue River Cemetery Maintenance District			Douglas County Fire District No. 2
		Rogue Valley Transportation District			Douglas County Fire Protection District No. 5
		Roseburg Urban Sanitary Authority			Douglas County Public Utility District No. 1
		Sable Drive Road District			Douglas County Sewer District No. 1
		Salem Area Mass Transit District			Douglas-Okanogan County Fire District No. 15
		Salem Housing Authority			East Columbia Basin Irrigation District
		Salem-Keizer Transit District			East Gig Harbor Water District
		Santa Clara Rural Fire Protection District			East Lewis County Public Development Authority
		Santiam Water Control District			East Pierce Fire and Rescue District No. 22
		Scappoose Rural Fire District			East Spokane Water District No. 1
		Scio Rural Fire District			East Wenatchee Water District
		Scottsburg Rural Fire District			Eastmont Metropolitan Park District
		Seal Rock Fire District			Eastsound Sewer and Water District
		Seal Rock Water District			Edmonds Public Facilities District
		Shangri-La Water District			Ellensburg Business Development Authority
		Shasta View Irrigation District			Enterprise Cemetery District No. 7
		Siletz Rural Fire Protection District			Entiat Irrigation District
		Silverton Fire District			Everett Housing Authority
		Sisters-Camp Sherman Rural Fire Protection District			Everett Public Facilities District
		Sluolaw Public Library District			Evergreen Water-Sewer District No. 19
		South Clackamas Transportation District			Fall City Water District
		South Suburban Sanitary District			Ferry County Public Utility District No. 1
		Southern Curry Cemetery Maintenance District			Ferry/Okanogan County Fire Protection District No. 13
		Southwest Lincoln County Water District			Fisherman Bay Sewer District
		Spring River Special Road District			Foster Creek Conservation District
		Springfield Utility District			Four Lakes Water District No. 10
		Stanfield Fire District No. 7-402			Franklin Conservation District
		Stayton Fire District			Franklin County Cemetery District No. 2
		Suburban East Salem Water District			Franklin County Fire District No. 1
		Sunrise Water Authority			Franklin County Fire Protection District No. 3
		Sunset Empire Transportation District			Franklin County Irrigation District No. 1
		Swalley Irrigation District			Franklin County Public Utility District No. 1
		Sweet Home Fire and Ambulance District			Freeland Water and Sewer District
		Talent Irrigation District			Ft. Worden Public Development Authority
		Terrebonne Domestic Water District			Gardena Farms Irrigation District No. 13
		Three Sisters Irrigation District			Goforth Special Utility District
		Tillamook County Transportation District			Grand Coulee Project Hydroelectric Authority
		Tillamook People's Utility District			Grandview Irrigation District
		Tiller Rural Fire District			Grant County Airport District No. 1
		Toledo Rural Fire Protection District			Grant County Fire District No. 10
		Tri City Rural Fire District No. 4			Grant County Fire District No. 11
		Tri City Water District			Grant County Fire District No. 3
		Tri-City Service District			Grant County Fire District No. 4
		Tri-County Metropolitan Transportation District			Grant County Fire District No. 7
		Tualatin Hills Park and Recreation District			Grant County Fire Protection District No. 5
		Tualatin Hills Park and Recreation District			Grant County Housing Authority
		Tualatin Valley Irrigation District			Grant County Mosquito Control District No. 1
		Tualatin Valley Water District			Grant County Mosquito District No. 2
		Tumalo Irrigation District			Grant County Port District No. 4
		Twin Rocks Sanitary District			Grant County Port District No. 6
		Umatilla County Housing Authority			Grant County Port District No. 7
		Umatilla Hospital District			Grant County Public Hospital District No. 1
		Umatilla Land Redevelopment Authority			Grant County Public Hospital District No. 2
		Umatilla Morrow Radio and Data District			Grant County Public Hospital District No. 3
		Umatilla Reservation Housing Authority			Grant County Public Hospital District No. 4
		Umatilla Rural Fire Protection District			Grant County Public Utility District No. 2
		Union Cemetery District			Grant Transit Authority
		Vale Oregon Irrigation District			Grays Harbor Conservation District
		Valley View Water District			Grays Harbor County Fire Protection District No. 1
		Vandevent Acres Special Road District			Grays Harbor County Fire Protection District No. 12
		Vineyard Mountain Water and Improvement District			Grays Harbor County Fire Protection District No. 14
		Walla Walla River Irrigation District			Grays Harbor County Fire Protection District No. 2
		Walla Walla County Health Care District			Grays Harbor County Fire Protection District No. 7
		Wamic Water and Sanitary Authority			Grays Harbor County Housing Authority
		Warm Springs Housing Authority			Grays Harbor County Water District No. 1
		Wasco County Soil and Water Conservation District			Grays Harbor County Water District No. 2
		Washington County Fire District No. 2			Grays Harbor Drainage District No. 1
		Washington County Housing Authority			Grays Harbor Fire District No. 10
		Water Wonderland Improvement District			Grays Harbor Historical Seaport Authority
		Wedderburn Sanitary District			Grays Harbor Public Utility District No. 1



Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
		West Slope Water District			Grays Harbor Transportation Authority
		West Valley Housing Authority			Greater Wenatchee Irrigation District
		Western Lane Ambulance District			Greater Wenatchee Regional Events Center Public Facilities District
		Westport Wauna Rural Fire Protection District			Green Tank Irrigation District No. 11
		Westwood Hills Road District			Hartstene Pointe Water-Sewer District
		Wiard Memorial Park District			Highland Water District
		Wickiup Water District			Highlands Sewer District
		Willamalane Park and Recreation District			Highline Water District
		Williams Rural Fire Protection District			Historic Seattle Preservation and Development Authority
		Willow Creek Park District			Holmes Harbor Sewer District
		Winchester Bay Sanitary District			Hunters Water District
		Winston-Dillard Fire District			Hydro Irrigation District No. 9
		Winston-Dillard Water District			Idcle Irrigation District
		Woodburn Rural Fire Protection District			Inchelium Water District
		Yamhill County Housing Authority			Irvin Water District No. 6
		Yamhill Fire Protection District			Island County Fire District No. 3
		Youngs River-Lewis and Clark Water District			Island County Fire Protection District No. 1
		<b>State</b>			Island County Housing Authority
		Oregon Department of Administrative Services			Jefferson County Conservation District
		Oregon Department of Revenue			Jefferson County Fire District No. 5
		Oregon Health Licensing Agency			Jefferson County Fire Protection District No. 1
		Oregon Higher Education Coordinating Commission			Jefferson County Fire Protection District No. 3
		Oregon Secretary of State			Jefferson County Public Utility District No. 1
		Oregon State Board of Nursing			Jefferson County Water District No. 3
		State of Oregon			Jefferson Transit Authority
		<b>Tribal</b>			Juniper Beach Water District
		Burns Paiute Tribe			Kapowsin Water District
		Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians			Kelso Housing Authority
		Confederated Tribes of Grand Ronde Community			Kennewick Housing Authority
		Confederated Tribes of Siletz Indians			Kennewick Irrigation District
		Confederated Tribes of the Umatilla Indian Reservation			Kennewick Public Facilities District
		Confederated Tribes of the Warm Springs			Kennewick Public Hospital District
		Coquille Indian Tribe			Kent Fire Department Regional Fire Authority
		Klamath Tribes			Key Peninsula Metro Parks District
					King County Airport District No. 1
					King County Ferry District
					King County Fire Protection District No. 16
					King County Fire Protection District No. 2
					King County Fire Protection District No. 20
					King County Fire Protection District No. 25
					King County Fire Protection District No. 27
					King County Fire Protection District No. 28
					King County Fire Protection District No. 34
					King County Fire Protection District No. 37
					King County Fire Protection District No. 40
					King County Fire Protection District No. 43
					King County Fire Protection District No. 44
					King County Fire Protection District No. 45
					King County Fire Protection District No. 47
					King County Fire Protection District No. 50
					King County Flood Control District
					King County Hospital District No. 4
					King County Housing Authority
					King County Public Hospital District No. 1
					King County Public Hospital District No. 2
					King County Water District No. 1
					King County Water District No. 111
					King County Water District No. 117
					King County Water District No. 119
					King County Water District No. 125
					King County Water District No. 19
					King County Water District No. 20
					King County Water District No. 45
					King County Water District No. 49
					King County Water District No. 54
					King County Water District No. 90
					Kitsap Conservation District
					Kitsap County Consolidated Housing Authority
					Kitsap County Fire District No. 18
					Kitsap County Public Utility District No. 1
					Kitsap County Rural Library District
					Kitsap Public Health District
					Kittitas County Conservation District
					Kittitas County Fire District No. 2
					Kittitas County Fire Protection District No. 7
					Kittitas County Hospital District No. 2
					Kittitas County Housing Authority
					Kittitas County Public Utility District No. 1
					Kittitas County Water District No. 5
					Kittitas County Water District No. 6
					Kittitas County Water District No. 7
					Klickitat County Fire District No. 14
					Klickitat County Fire District No. 15
					Klickitat County Fire District No.1
					Klickitat County Fire Protection District No. 4
					Klickitat County Fire Protection District No. 5
					Klickitat County Port District No. 1
					Klickitat County Public Hospital District No. 1
					Klickitat County Public Hospital District No. 2
					Klickitat County Public Utility District No. 1
					Lacey Fire District 3
					Lake Chelan Reclamation District
					Lake Chelan Sewer District
					Lake Forest Park Water District

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
					Lake Stevens Sewer District Lake Wenatchee Water District Lake Whatcom Water and Sewer District Lakehaven Utility District Lakewood Water District Lenora Water and Sewer District Lewis County Conservation District Lewis County Fire District No. 1 Lewis County Fire District No. 11 Lewis County Fire District No. 13 Lewis County Fire District No. 18 Lewis County Fire District No. 9 Lewis County Fire Protection District No. 14 Lewis County Fire Protection District No. 16 Lewis County Fire Protection District No. 2 Lewis County Fire Protection District No. 5 Lewis County Fire Protection District No. 6 Lewis County Fire Protection District No. 8 Lewis County Hospital District No. 1 Lewis County Public Facilities District Lewis County Public Utility District No. 1 Lewis County Water District No. 1 Lewis County Water District No. 3 Lewis Public Transportation Benefit Area Authority Liberty Lake Sewer and Water District Lincoln County Fire District No. 1 Lincoln County Fire District No. 4 Lincoln County Fire Protection District No. 5 Lincoln County Fire Protection District No. 6 Lincoln County Fire Protection District No. 8 Lincoln County Hospital District No. 3 Lincoln-Adams County Fire Protection District No. 3 Longview Housing Authority Lopez Island Library District Lower Elwha Housing Authority Lower Squilchuck Irrigation District Lummi Housing Authority Lummi Tribal Sewer and Water District Makah Housing Authority Malaga Water District Manchester Water District Manson Park and Recreation District Marshland Flood Control District Marysville Fire District Mason Conservation District Mason County Fire District No. 13 Mason County Fire District No. 17 Mason County Fire District No. 2 Mason County Fire District No. 4 Mason County Fire Protection District No. 5 Mason County Fire Protection District No. 8 Mason County Housing Authority Mason County Public Hospital District No. 1 Mason County Public Utility District No. 1 Mason County Public Utility District No. 3 Mason County Transit Authority Methow Valley Irrigation District Mid-Columbia Library District Midway Sewer District Moab Irrigation District No. 20 Moses Lake Irrigation and Rehabilitation District Mukilteo Water and Wastewater District Naches-Selah Irrigation District North Beach Water District North Central Washington Economic Development District North City Water District North County Regional Fire Authority North Highline Fire District North Perry Avenue Water District North Whidbey Park and Recreation District Northeast Sammamish Sewer and Water District Northshore Utility District Northwest Park and Recreation District No. 2 Okanogan Conservation District Okanogan County Cemetery District No. 4 Okanogan County Fire District No. 6 Okanogan County Fire Protection District No. 11 Okanogan County Housing Authority Okanogan County Public Hospital District No. 3 Okanogan County Public Hospital District No. 4 Okanogan County Public Utility District No. 1 Okanogan Fire Protection District No. 16 Okanogan Irrigation District Olympic View Water and Sewer District Olympus Terrace Sewer District Orcas Island Library District Orchard Avenue Irrigation District No. 6 Oroville Housing Authority Oroville-Tonasket Irrigation District Othello Housing Authority Pacific Conservation District Pacific County Fire District No. 2 Pacific County Fire Protection District No. 1 Pacific County Fire Protection District No. 3

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
					Pacific County Public Healthcare Services District No. 3 Pacific County Public Utility District No. 2 Pacific Hospital Preservation and Development Authority Palouse Conservation District Pasco/Franklin County Housing Authority Pend Oreille County Fire District No. 2 Pend Oreille County Fire District No. 4 Pend Oreille County Fire District No. 5 Pend Oreille County Library District Pend Oreille County Public Hospital District No. 1 Pend Oreille County Public Utility District No. 1 Peninsula Housing Authority Peninsula Metropolitan Park District Peshastin Irrigation District Peshastin Water District Pierce Conservation District Pierce County Fire District No. 13 Pierce County Fire District No. 16 Pierce County Fire District No. 18 Pierce County Fire District No. 23 Pierce County Fire District No. 27 Pierce County Fire District No. 3 Pierce County Fire District No. 5 Pierce County Fire District No. 8 Pierce County Fire Protection District No. 14 Pierce County Fire Protection District No. 2 Pierce County Fire Protection District No. 21 Pierce County Housing Authority Pike Place Market Preservation and Development Authority Point Roberts Water District No. 4 Ponderay Shores Water and Sewer District Port Ludlow Drainage District Prescott Joint Parks and Recreation District Prosser Fire District No. 3 Prosser Public Hospital District Public Hospital District No. 1 Public Hospital District No. 3 Public Utility District No. 1 Puyallup Tribal Health Authority Quileute Housing Authority Quinalt Housing Authority Quincy-Columbia Basin Irrigation District Renton Housing Authority Richland Housing Authority Richland Public Facilities District Ronald Wastewater District Roza Irrigation District Sacheen Lake Sewer and Water District Sammamish Plateau Water and Sewer District San Juan Island Library District Saratoga Water District Scatchet Head Water District Seattle Chinatown International District Preservation and Development Authority Seattle Housing Authority Seattle Southside Regional Tourism Authority Selah-Moxee Irrigation District Si View Metropolitan Park District Silver Lake Flood Control District Silver Lake Water And Sewer District Silverdale Water District Skagit Conservation District Skagit County Cemetery District No. 2 Skagit County Fire District No. 10 Skagit County Fire District No. 11 Skagit County Fire District No. 15 Skagit County Fire District No. 9 Skagit County Fire Protection District No. 13 Skagit County Fire Protection District No. 14 Skagit County Fire Protection District No. 2 Skagit County Fire Protection District No. 3 Skagit County Fire Protection District No. 4 Skagit County Fire Protection District No. 5 Skagit County Fire Protection District No. 8 Skagit County Housing Authority Skagit County Public Hospital District No. 1 Skagit County Public Hospital District No. 2 Skagit County Public Hospital District No. 304 Skagit County Public Utility District No. 1 Skagit County Sewer District No. 1 Skagit County Sewer District No. 2 Skagit Valley Public Hospital District No. 1 Skamania County Fire District No. 1 Skamania County Fire District No. 4 Skamania County Public Hospital District No. 1 Skamania County Public Utility District No. 1 Skamokawa Water and Sewer District Skyway Water and Sewer District Snohomish County Fire District No. 15 Snohomish County Fire District No. 16 Snohomish County Fire District No. 19 Snohomish County Fire District No. 26 Snohomish County Fire District No. 5 Snohomish County Fire Protection District No. 1 Snohomish County Fire Protection District No. 17

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
					Snohomish County Fire Protection District No. 21 Snohomish County Fire Protection District No. 22 Snohomish County Fire Protection District No. 25 Snohomish County Fire Protection District No. 28 Snohomish County Fire Protection District No. 3 Snohomish County Fire Protection District No. 7 Snohomish County Housing Authority Snohomish County Public Hospital District No. 1 Snohomish County Public Hospital District No. 2 Snohomish County Public Utility District No. 1 Snohomish Health District Snohomish River Regional Water Authority Snoqualmie Valley Hospital District South Columbia Basin Irrigation District South Correctional Entity Public Development Authority South Naches Irrigation District South Whatcom Fire Authority South Whidbey Parks and Recreation District South Yakima Conservation District Southwest Suburban Sewer District Spokane Conservation District Spokane County Fire District No. 12 Spokane County Fire District No. 2 Spokane County Fire District No. 4 Spokane County Fire Protection District No. 10 Spokane County Fire Protection District No. 11 Spokane County Fire Protection District No. 13 Spokane County Fire Protection District No. 3 Spokane County Fire Protection District No. 5 Spokane County Fire Protection District No. 8 Spokane County Fire Protection District No. 9 Spokane County Library District Spokane County Water District No. 3 Spokane Housing Authority Spokane Indian Housing Authority Spokane Public Facilities District Spokane Regional Health District Spokane Transit Authority Startup Water District Steptoe Sewer District No. 1 Stevens County Fire District No. 2 Stevens County Fire District No. 6 Stevens County Fire Protection District No. 1 Stevens County Fire Protection District No. 10 Stevens County Fire Protection District No. 12 Stevens County Fire Protection District No. 5 Stevens County Public Utility District No. 1 Stevens County Rural Library District Stevens Pass Sewer District Sun Harbor Water District No. 3 Sunnyside Housing Authority Sunnyside Valley Irrigation District Sunnyslope Water District Swinomish Housing Authority Tacoma Community Redevelopment Authority Tacoma Housing Authority Tacoma Metropolitan Park District Terrace Heights Sewer District Thea Foss Waterway Development Authority Three Rivers Regional Wastewater Authority Thurston Conservation District Thurston County Fire District No. 12 Thurston County Fire District No. 4 Thurston County Fire District No. 9 Thurston County Fire Protection District No. 3 Thurston County Fire Protection District No. 5 Thurston County Fire Protection District No. 6 Thurston County Fire Protection District No. 8 Thurston County Housing Authority Thurston County Public Utility District No. 1 Tri-County Economic Development District Tukwila Metropolitan Park District Underwood Conservation District Union Gap Irrigation District Val Vue Sewer District Valley Regional Fire Authority Valley View Sewer District Valley Water District Vancouver Housing Authority Vashon Park District Wahkiakum County Public Utility District No. 1 Wahkiakum Fire Protection District No. 1 Wahkiakum Port District No. 1 Walla Walla County Fire Protection District No. 1 Walla Walla County Fire Protection District No. 3 Walla Walla County Fire Protection District No. 4 Walla Walla County Fire Protection District No. 5 Walla Walla County Fire Protection District No. 8 Walla Walla County Rural Library District Walla Walla Housing Authority Wallula Water District No. 1 Washington State Convention Center Public Facilities District Washington State Major League Baseball Stadium Public Facilities District Washington State Tobacco Settlement Authority

Hawaii	Idaho	Oregon	South Carolina	Utah	Washington
					Water District 19 Wells Ranch Irrigation District Wenatchee Reclamation District Wenatchee-Chiwawa Irrigation District West Sound Utility District Whatcom Conservation District Whatcom County Fire District No. 1 Whatcom County Fire District No. 11 Whatcom County Fire District No. 14 Whatcom County Fire District No. 16 Whatcom County Fire District No. 17 Whatcom County Fire District No. 4 Whatcom County Fire District No. 5 Whatcom County Fire District No. 7 Whatcom County Fire District No. 8 Whatcom County Public Utility District No. 1 Whatcom County Water District No. 12 Whatcom County Water District No. 13 Whatcom County Water District No. 2 Whatcom County Water District No. 7 Whatcom Transportation Authority Whidbey Island Public Hospital District Whitestone Reclamation District Whitman County Fire District No. 11 Whitman County Fire Protection District No. 12 Whitman County Fire Protection District No. 14 Whitman County Fire Protection District No. 7 Whitman County Public Hospital District No. 3 Whitman County Rural Library District Whitworth Water District No. 2 Willapa Valley Water District William Shore Memorial Pool District Williams Lake Sewer District No. 2 Wine Science Center Development Authority Wollochet Harbor Sewer District Woodmille Water District Yakima County Fire District No. 1 Yakima County Fire District No. 3 Yakima County Fire District No. 4 Yakima County Fire District No. 5 Yakima County Fire District No. 6 Yakima County Fire Protection District No. 12 Yakima County Fire Protection District No. 14 Yakima County Mosquito Control District Yakima Housing Authority Yakima Regional Clean Air Authority Yakima Rural County Library District Yakima-Tieton Irrigation District <b>State</b> North Seattle Community College Seattle Colleges State Of Washington Washington State Department of Enterprise Services Washington State Department of Health Washington State Department of Social and Health Services Washington State Health Care Authority <b>Tribal</b> Columbia River Inter-Tribal Fish Commission Confederated Tribes of the Chehalis Reservation Confederated Tribes of the Colville Reservation Confederated Tribes of the Yakama Nation Cowitz Indian Tribe Hoh Indian Tribe Jamestown S'Klallam Tribe Kalispel Tribe of Indians Lower Elwha Klallam Tribe Lummi Indian Nation Makah Tribe Muckleshoot Indian Tribe Nisqually Indian Tribe Nooksack Indian Tribe Port Gamble S'Klallam Tribe Puyallup Tribe of Indians Quileute Indian Tribe Quinalt Indian Nation Samish Indian Nation Sauk-Suiattle Indian Tribe Skokomish Indian Tribe Snoqualmie Indian Tribe Spokane Tribe Squaxin Island Tribe Stillaguamish Tribe of Indians Suquamish Tribe Swinomish Indian Tribal Community Tulalip Tribes Upper Skagit Indian Tribe Yakama Nation Land Enterprise



Appendix C - Political Subdivision List for Virginia

City/Town	Special Districts	Public K-12	County	Public Higher Education	State	Townships
City of Alexandria	Acomack-Northampton Transportation District	Acomack County Public Schools	Acomack County	Blue Ridge Community College	State of Virginia	
City of Bristol	Albemarle County Service Authority	Albemarle County Public Schools	Albemarle County	Central Virginia Community College	Virginia Department of Behavioral Health and Developmental Services	Virginia Department of Health
City of Buena Vista	Albemarle-Charlottesville Regional Jail Authority	Alexandria City Public Schools	Alleghany County	Christopher Newport University	Virginia Department of General Services	Virginia Department of Health Professions
City of Charlottesville	Alexandria Redevelopment and Housing Authority	Alexandria County Public Schools	Alleghany County Public Schools	College of William and Mary	Virginia Department of Public Works	
City of Chesapeake	Appomattox River Water Authority	Amelia County Public Schools	Amelia County	Dabney S. Lancaster Community College		
City of Colonial Heights	Bath County Airport Authority	Amherst County Public Schools	Amherst County	Danville Community College		
City of Covington	Bedford County Economic Development Authority	Appomattox County Public Schools	Appomattox County	Arlington County		
City of Danville	Bedford Regional Water Authority	Arlington Public Schools	Arlington County	Augusta County		
City of Emporia	Big Stone Gap Redevelopment and Housing Authority	Atlantic Shores Christian Schools	Bath County	Bath County		
City of Fairfax	Blacksburg-Christiansburg-VPI Water Authority	Augusta County Public Schools	Bedford County	Bedford County Public Service Authority		
City of Falls Church	Blacksburg-Virginia Polytechnic Institute Sanitation Authority	Bath County Public Schools	Bland County	Botetourt County		
City of Franklin	Blue Ridge Airport Authority	Bedford County Public Schools	Bland County	Botetourt County		
City of Fredericksburg	Blue Ridge Crossroads Economic Development Authority	Bland County Public Schools	Bland County	Brunswick County		
City of Galax	Blue Ridge Regional Jail Authority	Botetourt County Public Schools	Bland County	Buchanan County		
City of Hampton	Blue Ridge Soil and Water Conservation District	Bristol Virginia Public Schools	Bland County	Buchanan County Public Service Authority		
City of Harrisonburg	Bristol Redevelopment and Housing Authority	Brunswick County Public Schools	Bland County	Buckingham County		
City of Hopewell	Brookneal-Campbell County Airport Authority	Buchanan County Schools	Bland County	Buckingham County Board of Supervisors		
City of Lexington	Brunswick County Industrial Development Authority	Buckingham County Public Schools	Bland County	Campbell County		
City of Lynchburg	Buchanan County Industrial Development Authority	Botetourt County Public Schools	Bland County	Carroll County		
City of Manassas	Buena Vista Public Service Authority	Bristol Virginia Public Schools	Bland County	Carroll County Public Service Authority		
City of Manassas Park	Campbell County Utilities and Service Authority	Brunswick County Public Schools	Bland County	Charles City County		
City of Martinsville	Carroll County Industrial Development Authority	Buchanan County Schools	Bland County	Charlottesville County		
City of Newport News	Carroll-Grayson-Galax Solid Waste Authority	Buckingham County Public Schools	Bland County	Charlottesville County		
City of Norfolk	Charlottesville Water and Sewage Authority	Buena Vista City Public Schools	Bland County	Chesapeake Public Schools		
City of Norton	Central Shenandoah Planning District Commission	Campbell County Public Schools	Bland County	Chesterfield County		
City of Petersburg	Central Virginia Regional Jail Authority	Carroll County Public Schools	Bland County	Chesapeake Public Schools		
City of Poquoson	Central Virginia Waste Management Authority	Charles City County School District	Bland County	Chesterfield County Public Schools		
City of Portsmouth	Charlottesville Redevelopment and Housing Authority	Colonial Beach Schools	Bland County	Clarke County		
City of Radford	Charlottesville-Albemarle Airport Authority	Colonial Heights Public Schools	Bland County	Culpeper County		
City of Richmond	Chesapeake Airport Authority	Copper River School District	Bland County	Culpeper County		
City of Roanoke	Chesapeake Bay Bridge and Tunnel District	Covington City Public Schools	Bland County	Culpeper County		
City of Salem	Chesapeake Hospital Authority	Craig County Public Schools	Bland County	Culpeper County		
City of Staunton	Chesapeake Redevelopment and Housing Authority	Culpeper County Public Schools	Bland County	Culpeper County		
City of Suffolk	Coeburn-Norton-Wise Regional Wastewater Authority	Cumberland County Public Schools	Bland County	Culpeper County		
City of Virginia Beach	Crater District Area Agency on Aging/Foster Grandparent Program, Inc.	Fairfax County Public Schools	Bland County	Culpeper County		
City of Waynesboro	Culpeper Soil and Water Conservation District	Fairfax County Public Schools	Bland County	Culpeper County		
City of Williamsburg	Cumberland Plateau Planning District Commission	Fairfax County Public Schools	Bland County	Culpeper County		
City of Winchester	Cumberland Plateau Regional Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Abingdon	Cumberland Plateau Regional Waste Management Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Alberta	Danville Redevelopment and Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Altavista	Danville-Pittsylvania County Regional Industrial Facilities Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Amherst	Dickenson County Industrial Development Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Appalachia	Dickenson County Public Service Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Appomattox	Dinwiddie Airport and Industrial Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Ashland	Dinwiddie County Water Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Bedford	District Three Governmental Cooperative	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Berryville	Dryden Water Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Big Stone Gap	Eastern Shore of Virginia Broadband Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Blacksburg	Essex County Industrial Development Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Bluefield	Fairfax County Economic Development Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Boones Mill	Fairfax County Park Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Bowling Green	Fairfax County Redevelopment and Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Boyce	Fairfax County Water Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Boydton	Fauquier County Water and Sanitation Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Bridgewater	Floyd County Economic Development Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Broadway	Floyd-Floyd County Public Service Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Brodnax	Franklin Redevelopment and Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Brookneal	Frederick County Sanitation Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Buchanan	Fredericksburg Stafford Park Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Burkeville	Frederick-Winchester Service Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Cape Charles	Front Royal-Warren County Economic Development Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Cedar Bluff	Ft. Monroe Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Charlotte Court House	Giles County Public Service Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Chase City	Greensville County Water and Sewer Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Chatham	Halifax County Industrial Development Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Cheriton	Halifax County Service Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Chilhowie	Hampton Redevelopment and Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Chincoteague	Hampton Roads Planning District Commission	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Christiansburg	Hampton Roads Regional Jail Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Claremont	Hampton Roads Sanitation District	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Clarksville	Harrisonburg Redevelopment and Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Clifton	Harrisonburg-Rockingham Regional Sewer Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Clifton Forge	Headwaters Soil and Water Conservation District	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Clinchco	Hopewell Redevelopment and Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Coeburn	James River Water Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Colonial Beach	John Flannagan Water Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Columbia	Joint Public Service Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Courtland	Lee County Industrial Development Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Craigsville	Lee County Public Service Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Crewe	LENOWISCO Planning District Commission	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Culpeper	Lord Fairfax Soil and Water Conservation District	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Damascus	Loudoun County Sanitation Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Dayton	Louisa County Water Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Dendron	Lynchburg Redevelopment and Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Dilwyn	Marion Redevelopment and Housing Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Drakes Branch	Maury Service Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Dublin	Mecklenburg-Brunswick Regional Airport Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Dumfries	Meherrin River Regional Jail Authority	Fairfax County Public Schools	Bland County	Culpeper County		
Town of Dungeness	Middle Peninsula Regional Airport Authority	Fairfax County Public Schools	Bland County	Culpeper County		



**City/Town**

Town of Elkton  
 Town of Exmore  
 Town of Farmville  
 Town of Fincastle  
 Town of Floyd  
 Town of Fries  
 Town of Front Royal  
 Town of Gate City  
 Town of Glade Spring  
 Town of Glasgow  
 Town of Glen Lyn  
 Town of Gordonsville  
 Town of Goshen  
 Town of Gretna  
 Town of Grotoes  
 Town of Halifax  
 Town of Hamilton  
 Town of Haymarket  
 Town of Hayti  
 Town of Herndon  
 Town of Hillsville  
 Town of Honaker  
 Town of Hurt  
 Town of Independence  
 Town of Iron Gate  
 Town of Irvington  
 Town of Jonesville  
 Town of Kenbridge  
 Town of Keyville  
 Town of Kilmarnock  
 Town of La Crosse  
 Town of Lawrenceville  
 Town of Leesburg  
 Town of Louisa  
 Town of Lovettsville  
 Town of Luray  
 Town of Marion  
 Town of Middleburg  
 Town of Middletown  
 Town of Mineral  
 Town of Monterey  
 Town of Montross  
 Town of Mt. Jackson  
 Town of Narrows  
 Town of New Castle  
 Town of New Market  
 Town of Nickelsville  
 Town of Occoquan  
 Town of Onancock  
 Town of Orange  
 Town of Pamplin City  
 Town of Parkley  
 Town of Pearisburg  
 Town of Pembroke  
 Town of Pennington Gap  
 Town of Phenix  
 Town of Pocahontas  
 Town of Pound  
 Town of Pulaski  
 Town of Purcellville  
 Town of Quantico  
 Town of Remington  
 Town of Rich Creek  
 Town of Richlands  
 Town of Ridgeway  
 Town of Rocky Mount  
 Town of Round Hill  
 Town of Rural Retreat  
 Town of Saltville  
 Town of Scottsville  
 Town of Shenandoah  
 Town of Smithfield  
 Town of South Boston  
 Town of South Hill  
 Town of St. Paul  
 Town of Stanley  
 Town of Stephens City  
 Town of Strasburg  
 Town of Stuart  
 Town of Tangier  
 Town of Tappahannock  
 Town of Tazewell  
 Town of Timberville  
 Town of Troutville  
 Town of Urbanna  
 Town of Victoria  
 Town of Vienna  
 Town of Vinton  
 Town of Wakefield  
 Town of Warrenton  
 Town of Warsaw  
 Town of Washington  
 Town of Waverly  
 Town of West Point  
 Town of White Stone  
 Town of Windsor  
 Town of Wise  
 Town of Woodstock  
 Town of Wytheville

**Special Districts**

Montgomery County Public Service Authority  
 Montgomery Regional Solid Waste Authority  
 Mt. Rogers Planning District Commission  
 New River Regional Water Authority  
 New River Resource Authority  
 New River Valley Planning District Commission  
 New River Valley Regional Jail Authority  
 Newport News Redevelopment and Housing Authority  
 Nicholas County Solid Waste Authority  
 Norfolk Airport Authority  
 Norfolk Economic Development Authority  
 Norfolk Redevelopment and Housing Authority  
 Northern Neck Planning District Commission  
 Northern Virginia Regional Park Authority  
 Northern Virginia Transportation Authority  
 Northwestern Regional Jail Authority  
 NRV Regional Water Authority  
 Pamunkey Regional Jail Authority  
 Patrick County Economic Development Authority  
 Pepper's Ferry Regional Wastewater Treatment Authority  
 Petersburg Redevelopment and Housing Authority  
 Peumansend Creek Regional Jail Authority  
 Piedmont Soil and Water Conservation District  
 Planning District One Behavioral Health Services  
 Portsmouth Redevelopment and Housing Authority  
 Prince William County Park Authority  
 Pulaski County Public Service Authority  
 Pulaski County Sewerage Authority  
 Radford Industrial Development Authority  
 Randolph County Water, Sewer and Fire Protection Authority  
 Rapidan Service Authority  
 Rappahannock Regional Jail Authority  
 Rappahannock-Shenandoah-Warren Regional Jail Authority  
 Region 2000 Services Authority  
 Richmond Behavioral Health Authority  
 Richmond Hospital Authority  
 Richmond Metropolitan Authority  
 Richmond Redevelopment and Housing Authority  
 Richmond Regional Planning District Commission  
 Rivanna Solid Waste Authority  
 Rivanna Water and Sewer Authority  
 Riverside Regional Jail Authority  
 Roanoke Redevelopment and Housing Authority  
 Roanoke River Service Authority  
 Roanoke Valley Broadband Authority  
 Roanoke Valley Resource Authority  
 Robert E. Lee Soil and Water Conservation District  
 Rockbridge Area Network Authority  
 Rockbridge County Solid Waste Authority  
 Russell County Industrial Development Authority  
 Russell County Public Service Authority  
 Scott County Economic Development Authority  
 Scott County Redevelopment and Housing Authority  
 Shenandoah Valley Soil and Water Conservation District  
 Smyth County Industrial Development Authority  
 Smyth Washington Regional Industrial Facilities Authority  
 South Central Wastewater Authority  
 Southeastern Public Service Authority  
 Southside Planning District  
 Southside Regional Jail Authority  
 Southwest Regional Recreation Authority  
 Southwest Virginia Regional Jail Authority  
 Suffolk Redevelopment and Housing Authority  
 Tappahannock Essex County Airport Authority  
 Tazewell County Airport Authority  
 Tazewell County Industrial Development Authority  
 Tazewell County Public Service Authority  
 Tazewell County Public Service Authority  
 Thomas Jefferson Planning District Commission  
 Thomas Jefferson Soil and Water Conservation District  
 Toms Brook-Mauertown Sanitary District  
 Upper Occoquan Service Authority  
 Valley Municipal Utility District No. 2  
 Vint Hill Economic Development Authority  
 Virginia Beach Development Authority  
 Virginia Commercial Space Flight Authority  
 Virginia Highlands Airport Authority  
 Virginia Housing Development Authority  
 Virginia Peninsulas Public Service Authority  
 Virginia Port Authority  
 Virginia Resources Authority  
 Virginia Tech/Montgomery Regional Airport Authority  
 Virginia/Carolina Water Authority  
 Virginia's First Regional Industrial Facility Authority  
 Washington County Industrial Development Authority  
 Washington County Service Authority  
 Waynesboro Economic Development Authority  
 Waynesboro Redevelopment and Housing Authority  
 West Piedmont Planning District  
 Western Virginia Water Authority  
 Williamsburg Area Transit Authority  
 Winchester Regional Airport Authority  
 Wined Road Authority  
 Wise County Public Service Authority  
 Wise County Redevelopment and Housing Authority  
 Woodway Water and Sewer Authority  
 Wytheville Redevelopment and Housing Authority

**Public K-12**

Page County Public Schools  
 Patrick County Public Schools  
 Petersburg City Public Schools  
 Pittsylvania County School District  
 Poquoson City Public Schools  
 Portsmouth Public Schools  
 Powhatan County Public Schools  
 Prince Edward County Schools  
 Prince George County Public Schools  
 Prince William County Schools  
 Pulaski County Public Schools  
 Radford City Schools  
 Rappahannock County Public Schools  
 Richmond City Public Schools  
 Richmond County Public Schools  
 Roanoke City Public Schools  
 Roanoke County Public Schools  
 Rockbridge County Schools  
 Rockingham County Public Schools  
 Russell County Public Schools  
 Salem City Schools  
 Scott County Public Schools  
 Shenandoah County Public Schools  
 Smyth County Public Schools  
 Southampton County Public Schools  
 Spotsylvania County Public Schools  
 Stafford County Public Schools  
 Staunton City Schools  
 Suffolk Public Schools  
 Surry County Public Schools  
 Sussex County Public Schools  
 Tazewell County Public Schools  
 Virginia Beach City Public Schools  
 Warren County Public Schools  
 Washington County School District  
 Waynesboro Public Schools  
 West Point Public Schools  
 Westmoreland County Public Schools  
 Williamsburg-James City County Public Schools  
 Winchester Public Schools  
 Wise County Public Schools  
 Wythe County Public Schools  
 York County Public Schools

**County**

Scott County Public Service Authority  
 Shenandoah County  
 Smyth County  
 Southampton County  
 Spotsylvania County  
 Stafford County  
 Surry County  
 Sussex County  
 Tazewell County  
 Tri-County Lake Administrative Commission  
 Warren County  
 Washington County  
 Westmoreland County  
 Wise County  
 Wythe County  
 York County

**Public Higher Education****State****Townships**

**SOURCEWELL<sup>SM</sup> (Formerly NJPA) AWARDED VENDOR**  
**REQUIRED FEMA TERMS AND CONDITIONS CERTIFICATION**

Procurements by Sourcewell<sup>SM</sup> (Formerly NJPA) or Sourcewell Members utilizing funds under a federal grant or contract funded all or in part by the Federal Emergency Management Agency (FEMA) may be subject to specific federal laws, regulations, and requirements in addition to those under other federal, state and local laws. This may include, but is not limited to, the procurement standards of the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Title 44 of the Code of Federal Regulations, Part 13 (44 CFR Part 13).

The terms included in this section express Vendors willingness and ability to comply with certain requirements which may be applicable to specific Sourcewell Member purchases using FEMA grant or contract dollars. Sourcewell Members may also require Proposers to enter into ancillary agreements, in addition to the Sourcewell contract's general terms and conditions, to address a Member's specific contractual needs, including contract requirements for a procurement using FEMA grants or contracts. Sourcewell reserves the right at any time within a contract term to require an awarded Vendor to reaffirm or resubmit proper documentation relating to these requirements.

Note: The numbering and identification contained within this section is only for reference purposes and does not identify any actual Federal designation or location of the rule. Rules are located in 44 CFR Part 13.

---

(A) Pursuant to 44 CFR 13.36(i)(1), Sourcewell is entitled to exercise all administrative, contractual, or other remedies permitted by law to enforce Vendor's compliance with the terms of the request for proposal and contract award, including but not limited to those remedies set forth at 44 CFR 13.43.

---

Vendor Agrees (YES or NO)

Initials of Authorized Representative

(B) Pursuant to 44 CFR 13.36(i)(2), Sourcewell may terminate the contract award for cause or convenience in accordance with the procedures set forth in the request for proposal and contract award and those provided by 44 CFR 13.44.

---

Vendor Agrees (YES or NO)

Initials of Authorized Representative

(C) Pursuant to 44 CFR 13.36(i)(3)-(6)(12), and (13), Vendor shall comply with the following federal laws during the term of an award for this contract by Sourcewell:

- a. Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor ("DOL") regulations (41 CFR Ch. 60);
- b. Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented in DOL regulations (29 CFR Part 3);
- c. Davis-Bacon Act (40 U.S.C. 276a-276a-7) as supplemented by DOL regulations (29 CFR Part 5);
- d. Section 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by DOL regulations (29 CFR Part 5);
- e. Section 306 of the Clean Air Act (42 U.S.C. 1857(h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15); and

f. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

---

Vendor Agrees (YES or NO)	Initials of Authorized Representative
---------------------------	---------------------------------------

(D) Pursuant to 44 CFR 13.36(i)(7), Vendor shall comply with FEMA requirements and regulations pertaining to reporting, including but not limited to those set forth at 44 CFR 40 and 41.

---

Vendor Agrees (YES or NO)	Initials of Authorized Representative
---------------------------	---------------------------------------

(E) Pursuant to 44 CFR 13.36(i)(8), Vendor agrees to the following provisions regarding patents:

a. During the term of an award for this contract by Sourcewell, all rights to inventions and/or discoveries that arise or are developed, in the course of or under this request for proposal and contract award, shall belong to the Sourcewell Member and be disposed of in accordance with their policy. Sourcewell and Sourcewell members, at its own discretion, may file for patents in connection with all rights to any such inventions and/or discoveries.

---

Vendor Agrees (YES or NO)	Initials of Authorized Representative
---------------------------	---------------------------------------

(F) Pursuant to 44 CFR 13.36(i)(9), Vendor agrees to the following provisions, regarding copyrights:

a. During the term of an award for this contract by Sourcewell, any copyrightable material or inventions, in accordance with 44 CFR 13.34, FEMA reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, for Federal Government purposes:

- (1) The copyright in any work developed under a grant or contract; and
- (2) Any rights of copyright to which a grantee or a contractor purchases ownership with grant support.

---

Vendor Agrees (YES or NO)	Initials of Authorized Representative
---------------------------	---------------------------------------

(G) Pursuant to 44 CFR 13.36(i)(10), Vendor shall maintain any books, documents, papers, and records of the Vendor which are directly pertinent to this request for proposal and contract award. At any time during normal business hours and as often as Sourcewell or Sourcewell Members deems necessary, Vendor shall permit Sourcewell or Sourcewell Member, FEMA, the Comptroller General of United States, or any of their duly authorized representatives to inspect and photocopy such records for the purpose of making audit, examination, excerpts, and transcriptions

---

Vendor Agrees (YES or NO)	Initials of Authorized Representative
---------------------------	---------------------------------------

(H) Pursuant to 44 CFR 13.36(i)(11), Vendor shall retain all required records for three years after FEMA or Sourcewell or Sourcewell Members makes final payments and all other pending matters are closed. In addition, Vendor shall comply with record retention requirements set forth in 44 CFR 13.42

---

Vendor Agrees (YES or NO)

Initials of Authorized Representative

*Vendor agrees to comply with federal, state, and local laws, rules, regulations and ordinances, as applicable. It is further acknowledged that Vendor certifies compliance with provisions, laws, acts, regulations, etc. as noted above.*

*This certification shall be effective through the term of the Vendor's Sourcewell awarded contract.*

Vendor: \_\_\_\_\_

Contract number: \_\_\_\_\_

Category: \_\_\_\_\_

Maturity date: \_\_\_\_\_

Address: \_\_\_\_\_

City, state, zip code: \_\_\_\_\_

Phone number: \_\_\_\_\_

Printed name and title of  
authorized representative: \_\_\_\_\_

Signature of authorized  
representative: \_\_\_\_\_

Date: \_\_\_\_\_

## 5. C.

### CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

:

Date: 12/01/2021

Meeting Date: 12/28/2021



---

#### TITLE:

**Consideration and Approval of Contract:** Approve the Cooperative Purchase Contract for two (2) Hydraulic Grader Snow Wings from Empire Machinery in the amount of \$131,823.44.

#### STAFF RECOMMENDED ACTION:

1. Approve the Cooperative Purchase Contract for two (2) Hydraulic Grader Snow Wings from Empire Machinery in the amount of \$131,823.44, through NIPA City of Tucson contract pricing #161534; and
2. Authorize the City Manager to execute the necessary documents.

#### Executive Summary:

The Public Works - Streets Section is responsible for the timely snow removal and added ice traction response on our local transportation network. Response to snow events is critical to maintain the safest travel possible on City streets. These Hydraulic Grader Snow Wings are being considered as a replacement of an existing snowplow truck which has met milestone requirements for replacement and has been recommended and approved by the Fleet Management Committee and for the requested action.

#### Financial Impact:

This equipment purchase is funded with Highway User Revenue Funds (HURF) Acct# 040-06-161-0612-6-4401 for a budgeted amount of \$131,823.44.

#### Policy Impact:

The policy implication is that this purchase and equipment supports the mission to provide a high level of road maintenance protecting our community's infrastructure investment and timely snow removal during winter storm events. Procurement of this piece of equipment is with a local vendor using a cooperative purchasing agreement. In addition to the best pricing, we also have a good service relationship with local maintenance professionals that will respond quickly if issues should occur with this equipment.

#### Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

Transportation and 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:

Yes, City Council has discussed during snow operations planning and past budget retreats the need to provide equipment and staffing recommendations that are consistent with policy objectives and Public Works best practices. These Hydraulic Grader Snow Wings are an attachment to the Council approved graders which were purchased from the FY20 budget, Approved on 04/20/2021. The equipment is critical to the full function of snow operations when utilizing motor graders.

**Options and Alternatives:**

1. Approve the Cooperative Purchase Contract for two (2) Hydraulic Grader Snow Wings from Empire Machinery in the amount of \$131,823.44; or
2. Do not approve the purchase.

**Background/History:**

Snow operations are a substantial element of the Streets work program. The city's Snow Operations Manual maps the entire community by zone. Equipment and operators are tasked with the removal of snow from over 700 lane miles of city owned roadways. This operation can last a couple days to over a week depending on the snow event or weather conditions. Motor graders with wings are critical in snow plowing response operations. Motor graders access areas that plow trucks cannot and or should not be, they have the ability to move larger amounts of snow reducing the redundancy of plowing for each road plowed.

Caterpillar Inc. holds a Local Government Purchasing Cooperative Contract #161534-01 with the City of Tucson Procurement Department, Public Sector to supply materials and/or services, which was awarded through a competitive and open procurement process. The City of Flagstaff procurement team utilized this cooperative contract to get Public Works the best possible price for their purchase.

**Key Considerations:**

The purchase of these Hydraulic Grader Snow Wings is critical for Public Works - Streets to perform its annual snow operations response.

**Expanded Financial Considerations:**

There are no expanded financial considerations with this purchase. It is proposed to be fully funded in the FY22 budget utilizing highway User Revenue Funds (HURF).

**Community Benefits and Considerations:**

A typical Flagstaff winter season will see multiple snow events produce over 100" of annual snowfall and many nights of freezing temperatures. Our service delivery is of high quality and as timely as possible. Clearing roadways enables our public to move freely around the community and travel safely to their destinations. Our local school routes and transit network are of the highest priority and are maintained throughout the duration of a storm event. These wings will help expedite the snow plowing process by allowing for more snow to be moved in one pass, eliminating the need for redundant passes. This benefits the community as the equipment will help meet the city mission to have roads open and passible in a timely fashion.

**Community Involvement:**

Winter Storms are a significant source of citizen interest with the importance of having the tools to perform the duties of the position. Having the right tools will ensure the safest possible travel for the cycling and motoring community. Community stakeholders such as NAIPTA and the local school systems have been able to deliver safe transportation of community member due to the operation efforts of City response efforts.



---

**Attachments:**     Cooperative Purchase Contract  
                         Exhibit A - Quote  
                         Snow Wing Picture  
                         Exhibit B - Agency Contract  
                         Exhibit B - Agency Contract Renewal

## COOPERATIVE PURCHASE CONTRACT

Contract No. 2022-68

This Cooperative Purchase Contract is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and Empire Machinery, an Arizona Limited Liability Company ("Contractor").

### RECITALS:

- A. The Contractor is a fully authorized dealer of Caterpillar Inc. products;
- B. Caterpillar Inc. holds a Local Government Purchasing Cooperative Contract #161534-01 with the City of Tucson Procurement Department, Public Sector to supply materials and/or services ("Agency Contract"), which was awarded through a competitive and open procurement process; and
- C. Contractor is a dealer as described in the Agency Contract; and
- D. 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) and/or Scope of Work submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased:  
  

**Hydraulic Grader Wing**
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 for one hundred thirty-one thousand, eight hundred twenty-three dollars and forty-four cents **(\$131,823.44) including other fees and taxes**; 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 documents are set forth in Exhibit B attached hereto and incorporated by reference. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract, including, specifically changes in price for the materials.

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.

Empire Machinery:

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

Title: \_\_\_\_\_

CITY OF FLAGSTAFF

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

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney's Office

## **EXHIBIT A**

**Quote from Empire CAT (attached)**

**EXHIBIT B**  
**AGENCY CONTRACT**

**Contract #161524-01 City of Tucson Department of Procurement (attached)**



## Customer Purchase Agreement

**Account Manager:** Todd Owen

**PSR:**

**DBS Agreement #:** QUOTE

**Date:** 12/6/2021

**Customer #:** 0035203

**Customer Name:** CITY OF FLAGSTAFF

**Contact:** SAMUEL BECKETT

**Contact Phone:** 928-419-7027

**Address:** 211 W ASPEN AVE

**City\State\ZIP:** FLAGSTAFF 86001-5399

**Phone:** 928-774-5281

**Invoicing Customer:** CITY OF FLAGSTAFF - 0035203G

**PO #:** TBD

**Terms:** On Account - Customer PO

**Special Payment Instructions:** For Wire Instructions call Empire Credit Dept. at 480.633.4523

Please include the following information with your payment or wire:

**Invoicing Customer:** CITY OF FLAGSTAFF

**Customer Number:** 0035203

**Agreement Number:** QUOTE

**Serial Number(s):** ,

**Delivery Location:**

**Delivery Address:**

**Delivery Zip Code:**

**F.O.B:** ELOY

**City\State:** FLAGSTAFF, AZ

**Cust. Required Delivery Date:** 1/6/2022

**Job Site Location:** FLAGSTAFF, AZ

**Bond #:**

**Freight:** The freight will be provided by a Common Carrier and paid for by: Empire Common

**IF APPLICABLE:** Cat Certified Used meets hour and age limits, inspection, remaining or min warranty specific by Model.

A Basic CVA for 2 YR or 2,000 hour, Filter Kits will be delivered on time through scheduling and notification.

### Equipment

Serial Number	Year	Model	ID #	Inv	Make	Description	Sell Price
		SNOW WING			HENKE	HYDRAULIC GRADER WING	\$60,525.00
		SNOW WING			HENKE	OTHER ATTACHMENT	\$60,525.00

### Notes

New, Henke Hydraulic Grader Wing  
For use with CAT 12M3 AWD motor graders  
Moldboard Length: 12'  
Leading End Height: 28"  
Discharge End Height: 38"  
Benching Post Height: 66"  
Push Beam: Rear Ripper Mount Spring Cushioned Manual Adjust  
Includes MUDROC Relief Valve  
Includes Universal Hose Kit  
Includes High Carbon Steel Cutting Edge  
Includes Installation at Empire Eloy  
Includes Transportation of Machine From Flagstaff to Eloy and Back  
Includes Freight to Empire  
Warranty: Standard Manufacturer  
Sale Price: \$60,525.00+tax (per machine)  
Availability: 12-14 weeks

NIPA city of Tucson pricing #161534

\*Sale price does not include any applicable taxes. Availability subject to change without notice at any time. Quote valid until 12/26/2021



# Customer Purchase Agreement

<b>Sub Total:</b>	<b>\$121,050.00</b>
State/County Sales Tax (Coconino County 6.90%):	\$8,352.44
City Sales Tax (Mesa 2.00%):	\$2,421.00
<b>Balance Due:</b>	<b>\$131,823.44</b>

## Signatures:

Customer	Date	Customer	Date
----------	------	----------	------

TERMS: Machine sales payments are due Net 10; all others Net 30. Unless otherwise agreed in writing by a vice president of Empire Southwest, LLC ("Empire"), the purchase of goods (including, but not limited to, new and used equipment, attachments, parts and technology) or services from Empire will be governed solely by Empire's Terms and Conditions of Sales and Service (the "Sales and Service Terms"), which are available at [www.empire-cat.com/sales serviceterms](http://www.empire-cat.com/sales serviceterms), and the rental of equipment from Empire will be governed solely by Empire's Rental Terms and Conditions (the "Rental Terms"), which are available at [www.empire-cat.com/rentalterms](http://www.empire-cat.com/rentalterms), or such other successor websites at which Empire posts its Sales and Service Terms and its Rental Terms (collectively, the "Terms") from time to time. A hard copy of the Terms is available upon written request to [terms.conditions@empire-cat.com](mailto:terms.conditions@empire-cat.com). Empire's Terms are hereby incorporated by reference into this document and all other documents related to your purchase of goods or services from Empire or the rental of equipment from Empire. By purchasing goods or services from Empire or renting equipment from Empire, you agree to be bound by Empire's Terms exactly as written.

When operated in California, any on-road heavy-duty diesel vehicle, alternative-diesel vehicle, off-road diesel vehicle, or portable diesel engine may be subject to the California Air Resources Board's Regulation to Reduce Particulate Matter and Criteria Pollutant Emissions from In-Use Heavy-Duty Diesel Vehicles, In-Use Off-Road Diesel Vehicle Regulation, or Airborne Toxic Control Measure For Diesel Particulate Matter From Portable Engines Rated At 50 Horsepower And Greater. It therefore could be subject to retrofit, exhaust retrofit, or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the California Air Resources Board websites at <https://www.arb.ca.gov/dieseltruck>, <https://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>, or <https://www.arb.ca.gov/portable/portable.htm>.







# CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT  
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701  
P.O. BOX 27210, TUCSON, AZ 85726  
PHONE: (520) 837-4123 / FAX: (520) 791-4735  
[Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov)  
ISSUE DATE: DECEMBER 5, 2017

CONTRACT #161534-01  
CONTRACT AMENDMENT NUMBER: ONE (1)  
PAGE 1 of 1  
JW/lr  
CONTRACT OFFICER: JEFFREY WHITING

## HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES

THIS CONTRACT IS AMENDED AS FOLLOWS:

### ITEM NO. ONE (1): CONTRACT RENEWAL

Pursuant to Contract No. 161534, Special Terms and Conditions, Term and Renewal, the City is hereby exercising its option to renew the contract for the period of May 01, 2018 through April 30, 2019.

### ITEM NO. TWO (2): PRICING

Pursuant to Contract No. 161534, Scope of Work, Pricing, shall be replaced in its entirety with the Attached Price Page dated January 01, 2018 and shall become effective January 01, 2018.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR: Caterpillar Inc.

CITY OF TUCSON:

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF  
AND UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED CONTRACT AMENDMENT

IS HEREBY EXECUTED THIS 14 DAY

OF Dec, 2017, AT TUCSON, ARIZONA.

Patty R. Leatham 12/11/17  
Signature of person authorized to sign Date

Marcheta Gillespie  
Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM  
as Director of Procurement and not personally

PATTY REATH, GOVERNMENT  
Name and Title (typed or printed legibly)

ACCOUNT MANAGER

CATERPILLAR INC.  
Company Name

100 NE ADAMS ST. AEGIA, IL  
Address

REATH - PATTY @ CAT.COM  
Email Address

AEGIA IL 61629  
City State Zip

Contact information for Sales/Account Representative  
for daily business operations:

PATTY REATH, GOVT ACCOUNT MANAGER  
Name and Title (typed or printed legibly)

309-494-4578  
Phone Number

REATH - PATTY @ CAT.COM  
Email Address

## 2018 Caterpillar Coop Contract Discounts v1

Cooperative Contracts -- Effective January 1, 2018

Machine Model*	New Equipment
2018	Discount to Customer (Off List Price)

### Pavers

AP255	18.00%
AP300	18.00%
AP355	18.00%
AP500	18.00%
AP555	18.00%
AP600	18.00%
AP655	18.00%
AP1000	18.00%
AP1055	18.00%

### Rollers

CB1.7	19.00%
CB1.8	19.00%
CB7	19.00%
CB8	19.00%
CB10	19.00%
CB13	19.00%
CB14	19.00%
CB15	19.00%
CB16	19.00%
CB22	19.00%
CB24	19.00%
CB32	19.00%
CB34	19.00%
CB36	19.00%
CB44	19.00%
CB46	19.00%
CB54	19.00%
CB64	19.00%
CB66	19.00%
CB68	19.00%
CC24	19.00%
CC34	19.00%
CCS7	19.00%
CCS9	19.00%
CD8	19.00%
CD10	19.00%
CD44	19.00%
CD54	19.00%
CP34	19.00%
CP44	19.00%
CP54	19.00%
CP56	19.00%
CP68	19.00%
CP74	19.00%
CS34	19.00%
CS44	19.00%
CS54	19.00%
CS56	19.00%
CS64	19.00%
CS68	19.00%
CS78	19.00%
CW16	19.00%
CW34	19.00%

\*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

## 2018 Caterpillar Coop Contract Discounts v1

### Track Type Tractors

D3	23.00%
D4	23.00%
D5	23.00%
D6	21.00%
D7	19.00%
D8	19.00%
D9	10.00%

### Wheeled Excavators

M314F	26.00%
M315F	26.00%
M316F	26.00%
M317F	26.00%
M318F	26.00%
M320F	26.00%
M322F	26.00%

### Material Handlers

MH3022	26.00%
MH3024	26.00%
MH3026	26.00%

### Cold Planers

PM310	20.00%
PM312	20.00%
PM313	20.00%
PM620	20.00%
PM622	20.00%
PM820	20.00%
PM822	20.00%
PM825	20.00%

### Reclaimers

RM300	20.00%
RM500	20.00%

### Telehandlers

TH255	23.00%
TH3510	24.00%
TH357	24.00%
TH408	24.00%
TH514	24.00%
TL642	24.00%
TL943	24.00%
TL1055	24.00%
TL1255	24.00%

### Motor Graders

12	30.00%
120	34.00%
140	30.00%
160	30.00%
14	19.00%

### Skid Steer Loaders

226	21.00%
232	21.00%
236	21.00%
242	21.00%
246	21.00%
262	21.00%
272	21.00%

### Multi-Terrain Loaders

257	21.00%
277	21.00%
287	21.00%
297	21.00%

## 2018 Caterpillar Coop Contract Discounts v1

### Compact Track Loaders

239	21.00%
249	21.00%
259	21.00%
279	21.00%
289	21.00%
299	21.00%

### Excavators

300.9	20.00%
301.4	20.00%
301.7	20.00%
302.4	20.00%
302.7	20.00%
303	20.00%
303.5	20.00%
304	20.00%
304.5	20.00%
305	20.00%
305.5	20.00%
307	20.00%
308	20.00%
311	18.00%
313	15.00%
313GC	16.00%
315	19.00%
316	19.00%
318	16.00%
320	15.00%
320GC	16.00%
323	15.00%
325	15.00%
326	15.00%
330	15.00%
335	15.00%
336	15.00%
349	10.00%
352	10.00%
374	10.00%

### Backhoe Loaders

415	22.00%
416	22.00%
420	22.00%
430	22.00%
450	22.00%

### Site Prep Tractor

586C	20.00%
------	--------

### Wheel Tractor Scrapers

621	18.00%
623	18.00%
627	18.00%

### Articulated Trucks

725	17.00%
730	17.00%
735	17.00%
745	17.00%

### Rigid Frame Trucks

770	3.00%
773	3.00%

## 2018 Caterpillar Coop Contract Discounts v1

### Landfill Compactors

816	12.00%
826	12.00%
836	12.00%

### Wheel Dozers and Soil Compactors

814	15.00%
815	13.00%
824	15.00%
825	13.00%

### Wheel Loaders

903	23.00%
906	23.00%
907	23.00%
908	23.00%
910	23.00%
914	23.00%
918	24.00%
924	24.00%
926	24.00%
930	24.00%
938	24.00%
950GC	20.00%
950M	18.00%
962	18.00%
966	15.00%
972	11.00%
980	11.00%
982	11.00%

### Track Loaders

953	19.00%
963	22.00%
973	23.00%

Worktools	15.00%
-----------	--------

Caterpillar Safety Services	15.00%
-----------------------------	--------

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume



## 2018 Caterpillar Model List – Change Summary from 2017 - 2018

<u>Add Models</u>	<u>Customer Discount</u>
-------------------	--------------------------

CB1.7	19
CB1.8	19
CB13	19
CB15	19
CB16	19
CCS7	19
CCS9	19
MH3022	26
MH3024	26
MH3026	26
PM310	20
PM312	20
PM313	20
PM820	20
PM822	20
PM825	20
TH357	24
TH408	24
320GC	16

### Delete Discontinued Models

CW14  
CT660, CT680, CT681 (Caterpillar exited Vocational Truck business)  
PM102  
TH306  
TH406  
TH407  
312  
321  
329  
740

# **City of Tucson, AZ**

Contract 161534

*for*

Heavy Equipment, Parts, Accessories, Supplies and Related Services

*with*

Caterpillar, Inc

Effective: May 1, 2017

The following documents comprise the executed contract between the City of Tucson, AZ and Caterpillar Inc., effective May 1, 2017

- I. Signed Contract
- II. Summary of Negotiated Items
- III. Caterpillar, Inc Original Response
- IV. Original Request for Proposal



CITY OF  
TUCSON

DEPARTMENT OF  
PROCUREMENT

April 26, 2017

*Sent via electronic mail, this day*

Patty Redpath, Governmental Account Manager  
Caterpillar Inc.  
100 NE Adams St.  
Peoria, IL 61629  
[redpath\\_patty@cat.com](mailto:redpath_patty@cat.com)

Re: Contract No.: **161534-01**  
Contract Title: **Heavy Equipment, Parts, Accessories, Supplies  
and Related Services**

Dear Ms. Redpath:

The City of Tucson has awarded your firm the contract for furnishing the City's requirements for **Heavy Equipment, Parts, Accessories, Supplies and Related Services** during the time period of May 1, 2017 through April 30, 2018.

Please find attached your pdf copy of the contract, purchase order and the Designation of Contract Representative Memorandum outlining the duties and responsibilities of the representative as they relate to this contract. If you have any questions concerning this award, please contact me at (520) 837-4123.

The City wishes to thank you for your interest and proposal.

Sincerely,

Jeffrey Whiting  
Senior Contract Officer

JW/lr

Attachments

Cc: File 161534



**CITY OF  
TUCSON**

DEPARTMENT OF  
PROCUREMENT

April 04, 2017

Patty Redpath  
Governmental Account Manager  
Caterpillar Inc.  
100 NE Adams St.  
Peoria, IL, 61629  
Email: redpath\_patty@cat.com

Sent this day via electronic mail

**RE: City of Tucson Request for Proposal #  
161534 – Heavy Equipment, Parts, Accessories, Supplies and Related  
Services -Summary of Negotiated Items**

Dear Mrs. Redpath,

Based on our written and verbal negotiations, conducted over the past few months, this letter serves to summarize the items we have agreed on in regards to the City's Request for Proposal for Heavy Equipment, Parts, Accessories, Supplies and Related Services. Please provide written confirmation that the items contained in this letter represent the agreed upon items by signing the concurrence line below. In the event there is any disagreement with this document or if there is other information that must be included in this document, Caterpillar Inc., must specify those differences in a written response to this request.

The following agreements have been made between the City of Tucson and Caterpillar Inc. with regard to Request Proposal# 161534:

1. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 8. Price Adjustment is hereby replaced with the following:

**8. Price Adjustment:** The Contractor may implement new published manufacturer price lists quarterly, throughout the calendar year. The Contractor will provide the City with any updated published price lists with a minimum of 30 days advance notification from the intended effective date. Any price adjustments may be considered as a factor in the contract renewal/ extension process.

However, the Contractor must maintain the minimum discount offered for all items, throughout the term of the contract. Discount structures may only be adjusted by Contractor in the event the Contractor is making an adjustment that is increasing the discounts given to the City, or if mutually agreed upon by both parties

2. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 5. Training, is hereby replaced with the following:

**5. TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer (their distributor of products) may present the training material in a quality suitable for videotaping. Dealer and Contractor reserve the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

3. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 6. Repairs, is hereby replaced with the following:

**6. REPAIRS:** The Contractor will be responsible for transport of new vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. The purchaser and the Dealer may mutually agree to other terms related to product transportation.

4. Pursuant to RFP 161534, Scope of Work, B. Equipment and Product Requirements, Paragraph 3. Pricing, is hereby replaced with the following:

**3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. Subject to Terms and Conditions Paragraph 8, the pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by

- (a) contacting Caterpillar's GCI Government Contracts group or
- (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages. National IPA, the City, and the appropriate

contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

5. Pursuant to RFP 161534, Scope of Work, C Service Requirements Paragraph 1 Services, Sub-paragraph b. Maintenance Services, is hereby replaced with the following:

**1.b Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City will require a loaner or rental equipment in the event the machine is down for more than 48 hours. However, if the failure is one that is covered under a purchaser manufacturer warranty or extended warranty, and is down for more than 48 hours, a loaner of comparable type will be provided at no charge to the City. At the time of an event, if a comparable type is not available, the purchaser and Dealer will work together to determine the purchaser's loaner equipment requirements, and to ensure that there is no effect on the day to day landfill operations of the City. Loaner machine fuel, cleaning and damage will be the responsibility of the City of Tucson. The loaner provisions apply solely to the City of Tucson unless otherwise offered/promoted, in writing, to National IPA Member Agencies by the participating Dealer.

6. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 2 Subcontractors, is hereby replaced with the following:

**2. Subcontractors:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, the City and the Department of Procurement hereby agree that certain obligations of the Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

The City and the Contractor acknowledge that the Contractor authorized dealers are independent businesses and as such, have the right to choose whether or not to accept the terms and conditions contained herein.

All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the



Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

7. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 9. Modification of Terms is hereby replaced with the following:

**9. Modification of Terms:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the applicable Dealer as a condition of their intended purchase transaction. If the Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract

8. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 20. Indemnification is hereby replaced with the following:

**20.Indemnification:** To the fullest extent permitted by law, Participating Dealer, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, damages, reasonable losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of Participating Dealers relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Participating Dealers or anyone directly or indirectly employed by Participating Dealers or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors, anyone for whose acts any of them may be liable and any injury or damages claimed by any of the Participating Dealer's and Subcontractor's employees. It is agreed that the Participating Dealer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Participating Dealers agree to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Participating Dealer for the City of Tucson.

Participating Dealers are responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Participating Dealers are responsible for all applicable IRS reporting requirements related to ACA. If Participating Dealers or any of the Participating Dealer's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an

ADMINISTRATION • DESIGN AND CONSTRUCTION SERVICES • GOODS AND SERVICES

MAIL SERVICES • S.A.M.M. (SURPLUS AUCTION MATERIALS MANAGEMENT)

CITY HALL • 255 W. ALAMEDA • P.O. BOX 27210 • TUCSON, AZ 85726-7210

(520) 791-4217 • FAX (520) 791-4735 • TTY (520) 791-2639

[www.tucsonprocurement.com](http://www.tucsonprocurement.com)

assessed penalty against the City, or Participating Dealers fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, the Participating Dealer indemnifies City from and shall pay any assessed tax penalty.

9. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 28. Payment is hereby replaced with the following:

**28. Payment:** The City's preferred method of payment is via credit card. However, certain Dealers do not accept credit cards. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card or other means upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

10. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 39. Termination of Contract is hereby replaced with the following:

**39. Termination of Contract:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

11. Pursuant to RFP 161534, Attachment A, Exhibit A, Paragraph 1.4 Award Basis is hereby replaced with the following:

**1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and

ADMINISTRATION • DESIGN AND CONSTRUCTION SERVICES • GOODS AND SERVICES

MAIL SERVICES • S.A.M.M. (SURPLUS AUCTION MATERIALS MANAGEMENT)

CITY HALL • 255 W. ALAMEDA • P.O. BOX 27210 • TUCSON, AZ 85726-7210

(520) 791-4217 • FAX (520) 791-4735 • TTY (520) 791-2639

[www.tucsonprocurement.com](http://www.tucsonprocurement.com)

woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the local authorized Dealer (Contract Sales are reported to National IPA).

12. Pursuant to RFP 161534, Attachment A, Exhibit B, Paragraph 6 Term of Agreement is hereby replaced with the following:

**6. Term of Agreement**

This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

13. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 10 Exceptions to Contract Provisions is hereby replaced with the following:

**10. Exceptions to Contract Provisions**

A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or an appointed designee. If a proposal or offer is returned with modification to the contract provisions that are not expressly approved in writing by the Director or the appointed designee, the City shall be deemed to have rejected the proposal or offer in part and the parties may negotiate the provision(s) at issue.

14. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 11 Public Record is hereby replaced with the following:

**11. Public Record**

All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification to the extent required by law.

15. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 12 Confidential Information is hereby replaced with the following:

**12. Confidential Information**

The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is

not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by

- (a) contacting Caterpillar's GCI Government Contracts group or
- (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages.

The City and the appropriate contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

16. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 21 City of Tucson Business License is hereby replaced with the following:

**21. City of Tucson Business License**

It is the responsibility of the applicable Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

17. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 4 Insurance is hereby replaced with the following:

**4. Insurance:**

The Applicable Dealer agrees to:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
- B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Applicable Dealer, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

- C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
<b>I. Commercial General Liability:</b>	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
<b>II. Commercial Automobile Liability</b>	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
<b>III. Workers' Compensation (applicable to the State of Arizona)*<sup>1</sup></b>	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
<b>IV. Garage Liability &amp; Garage Keepers Liability - In addition to I, II, III</b>	
Garage Liability	\$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	\$ 500,000
Each Occurrence	\$1,000,000

- D. **ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Applicable Dealer (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Applicable Dealer shall not be limited to the liability assumed under the indemnification provisions of this Contract.



- E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Applicable Dealer to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.
- F. ACCEPTABILITY OF INSURERS:** The Applicable Dealer's insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Applicable Dealer from potential insurer insolvency.
- G. VERIFICATION OF COVERAGE:** The Applicable Dealer shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- H. SUBCONTRACTORS:** The Applicable Dealers' certificate(s) shall include all subcontractors as insureds under its policies ~~or~~ Dealer shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. EXCEPTIONS:** In the event the Dealer or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

18. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 38 Subcontractors, is hereby replaced with the following:

**38. Subcontracts:** Subject to Special Terms and Conditions, Paragraph 2. Subcontractors, no subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein

without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

19. It is mutually agreed that not all items are available through this contract at all Dealer locations. Participating agencies will need to check with their local dealer to see which items from this contract are available.

Please provide written concurrence to me no later than **Thursday, April 06, 2017 at 4 PM**. You may email your response to [Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov). If you should have any questions, please call me at (520) 837-4123.

Sincerely,

Jeffrey Whiting  
Contract Officer

Concurrence: Tate & Redpath

Date: April 6, 2017

Name: PATTY REDPATH

Title: GOVERNMENT  
ACCOUNT MANAGER

# **Contract #161534**

## **Heavy Equipment, Parts, Accessories, Supplies, and Related Services**

### **Table of Contents**

1. Caterpillar's Response to Summary of Negotiated Items
2. Caterpillar's Response to BAFO
3. City's Request for BAFO
4. Caterpillar's Response to RFP 161534

# **1. Caterpillar's Response to Summary of Negotiated Items**



CITY OF  
TUCSON

DEPARTMENT OF  
PROCUREMENT

April 04, 2017

Patty Redpath  
Governmental Account Manager  
Caterpillar Inc.  
100 NE Adams St.  
Peoria, IL, 61629  
Email: redpath\_patty@cat.com

Sent this day via electronic mail

**RE: City of Tucson Request for Proposal #  
161534 – Heavy Equipment, Parts, Accessories, Supplies and Related  
Services -Summary of Negotiated Items**

Dear Mrs. Redpath,

Based on our written and verbal negotiations, conducted over the past few months, this letter serves to summarize the items we have agreed on in regards to the City's Request for Proposal for Heavy Equipment, Parts, Accessories, Supplies and Related Services. Please provide written confirmation that the items contained in this letter represent the agreed upon items by signing the concurrence line below. In the event there is any disagreement with this document or if there is other information that must be included in this document, Caterpillar Inc., must specify those differences in a written response to this request.

The following agreements have been made between the City of Tucson and Caterpillar Inc. with regard to Request Proposal# 161534:

1. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 8. Price Adjustment is hereby replaced with the following:

**8. Price Adjustment:** The Contractor may implement new published manufacturer price lists quarterly, throughout the calendar year. The Contractor will provide the City with any updated published price lists with a minimum of 30 days advance notification from the intended effective date. Any price adjustments may be considered as a factor in the contract renewal/ extension process.

However, the Contractor must maintain the minimum discount offered for all items, throughout the term of the contract. Discount structures may only be adjusted by Contractor in the event the Contractor is making an adjustment that is increasing the discounts given to the City, or if mutually agreed upon by both parties

2. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 5. Training, is hereby replaced with the following:

**5. TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer (their distributor of products) may present the training material in a quality suitable for videotaping. Dealer and Contractor reserve the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

3. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 6. Repairs, is hereby replaced with the following:

**6. REPAIRS:** The Contractor will be responsible for transport of new vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. The purchaser and the Dealer may mutually agree to other terms related to product transportation.

4. Pursuant to RFP 161534, Scope of Work, B. Equipment and Product Requirements, Paragraph 3. Pricing, is hereby replaced with the following:

**3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. Subject to Terms and Conditions Paragraph 8, the pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by

- (a) contacting Caterpillar's GCI Government Contracts group or
- (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages. National IPA, the City, and the appropriate



contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

5. Pursuant to RFP 161534, Scope of Work, C Service Requirements Paragraph 1 Services, Sub-paragraph b. Maintenance Services, is hereby replaced with the following:

**1.b Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City will require a loaner or rental equipment in the event the machine is down for more than 48 hours. However, if the failure is one that is covered under a purchaser manufacturer warranty or extended warranty, and is down for more than 48 hours, a loaner of comparable type will be provided at no charge to the City. At the time of an event, if a comparable type is not available, the purchaser and Dealer will work together to determine the purchaser's loaner equipment requirements, and to ensure that there is no effect on the day to day landfill operations of the City. Loaner machine fuel, cleaning and damage will be the responsibility of the City of Tucson. The loaner provisions apply solely to the City of Tucson unless otherwise offered/promoted, in writing, to National IPA Member Agencies by the participating Dealer.

6. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 2 Subcontractors, is hereby replaced with the following:

**2. Subcontractors:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, the City and the Department of Procurement hereby agree that certain obligations of the Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

The City and the Contractor acknowledge that the Contractor authorized dealers are independent businesses and as such, have the right to choose whether or not to accept the terms and conditions contained herein.

All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the

Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

7. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 9. Modification of Terms is hereby replaced with the following:

**9. Modification of Terms:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the applicable Dealer as a condition of their intended purchase transaction. If the Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract

8. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 20. Indemnification is hereby replaced with the following:

**20. Indemnification:** To the fullest extent permitted by law, Participating Dealer, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, damages, reasonable losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnatee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnatee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of Participating Dealers relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Participating Dealers or anyone directly or indirectly employed by Participating Dealers or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors, anyone for whose acts any of them may be liable and any injury or damages claimed by any of the Participating Dealer's and Subcontractor's employees. It is agreed that the Participating Dealer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Participating Dealers agree to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Participating Dealer for the City of Tucson.

Participating Dealers are responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Participating Dealers are responsible for all applicable IRS reporting requirements related to ACA. If Participating Dealers or any of the Participating Dealer's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an

ADMINISTRATION • DESIGN AND CONSTRUCTION SERVICES • GOODS AND SERVICES  
MAIL SERVICES • S.A.M.M. (SURPLUS AUCTION MATERIALS MANAGEMENT)  
CITY HALL • 255 W. ALAMEDA • P.O. BOX 27210 • TUCSON, AZ 85726-7210  
(520) 791-4217 • FAX (520) 791-4735 • TTY (520) 791-2639  
[www.tucsonprocurement.com](http://www.tucsonprocurement.com)

assessed penalty against the City, or Participating Dealers fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, the Participating Dealer indemnifies City from and shall pay any assessed tax penalty.

9. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 28. Payment is hereby replaced with the following:

**28. Payment:** The City's preferred method of payment is via credit card. However, certain Dealers do not accept credit cards. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card or other means upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

10. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 39. Termination of Contract is hereby replaced with the following:

**39. Termination of Contract:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

11. Pursuant to RFP 161534, Attachment A, Exhibit A, Paragraph 1.4 Award Basis is hereby replaced with the following:

**1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and

woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the local authorized Dealer (Contract Sales are reported to National IPA).

12. Pursuant to RFP 161534, Attachment A, Exhibit B, Paragraph 6 Term of Agreement is hereby replaced with the following:

**6. Term of Agreement**

This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

13. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 10 Exceptions to Contract Provisions is hereby replaced with the following:

**10. Exceptions to Contract Provisions**

A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or an appointed designee. If a proposal or offer is returned with modification to the contract provisions that are not expressly approved in writing by the Director or the appointed designee, the City shall be deemed to have rejected the proposal or offer in part and the parties may negotiate the provision(s) at issue.

14. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 11 Public Record is hereby replaced with the following:

**11. Public Record**

All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification to the extent required by law.

15. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 12 Confidential Information is hereby replaced with the following:

**12. Confidential Information**

The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is

not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by

- (a) contacting Caterpillar's GCI Government Contracts group or
- (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages.

The City and the appropriate contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

16. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 21 City of Tucson Business License is hereby replaced with the following:

**21. City of Tucson Business License**

It is the responsibility of the applicable Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

17. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 4 Insurance is hereby replaced with the following:

**4. Insurance:**

The Applicable Dealer agrees to:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
- B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Applicable Dealer, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.



C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
<b>I. Commercial General Liability:</b>	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
<b>II. Commercial Automobile Liability</b>	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
<b>III. Workers' Compensation (applicable to the State of Arizona)*1</b>	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
<b>IV. Garage Liability &amp; Garage Keepers Liability - In addition to I, II, III</b>	
Garage Liability	\$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	\$ 500,000
Each Occurrence	\$1,000,000

D. **ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Applicable Dealer (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Applicable Dealer shall not be limited to the liability assumed under the indemnification provisions of this Contract.

- E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Applicable Dealer to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.
- F. ACCEPTABILITY OF INSURERS:** The Applicable Dealer's insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Applicable Dealer from potential insurer insolvency.
- G. VERIFICATION OF COVERAGE:** The Applicable Dealer shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- H. SUBCONTRACTORS:** The Applicable Dealers' certificate(s) shall include all subcontractors as insureds under its policies or Dealer shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. EXCEPTIONS:** In the event the Dealer or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

18. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 38 Subcontractors, is hereby replaced with the following:

**38. Subcontracts:** Subject to Special Terms and Conditions, Paragraph 2. Subcontractors, no subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein

ADMINISTRATION • DESIGN AND CONSTRUCTION SERVICES • GOODS AND SERVICES  
MAIL SERVICES • S.A.M.M. (SURPLUS AUCTION MATERIALS MANAGEMENT)  
CITY HALL • 255 W. ALAMEDA • P.O. BOX 27210 • TUCSON, AZ 85726-7210  
(520) 791-4217 • FAX (520) 791-4735 • TTY (520) 791-2639  
[www.tucsonprocurement.com](http://www.tucsonprocurement.com)

without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

19. It is mutually agreed that not all items are available through this contract at all Dealer locations. Participating agencies will need to check with their local dealer to see which items from this contract are available.

Please provide written concurrence to me no later than **Thursday, April 06, 2017 at 4 PM**. You may email your response to [Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov). If you should have any questions, please call me at (520) 837-4123.

Sincerely,

Jeffrey Whiting  
Contract Officer

Concurrence: Tate & Redpath  
Name: TATE REDPATH

Date: April 6, 2017  
Title: GOVERNMENT  
ACCOUNT MANAGER

## **2. Caterpillar's Response to BAFO**

**From:** Patty Redpath <Redpath\_Patty@cat.com>  
**To:** "Jeffrey Whiting" <Jeffrey.Whiting@tucsonaz.gov>  
**Date:** 3/8/2017 1:40 PM  
**Subject:** Re: RFP 161534 - Heavy Equipment  
**Attachments:** 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017.xls;  
Caterpillar National IPA 2017 Update Gen - Eff 1-9-2017.xlsx

Hello Jeff -

Thank you for the opportunity to respond. Attached is our Best and Final Offer, which is consistent with what we provided with our original RFP Response.

Thanks!

Patty Redpath  
Government Account Manager  
Caterpillar Inc.  
Global Construction & Infrastructure ? Count on Us  
100 NE Adams St. | Peoria, IL | USA | 61629  
Tel: +1 (309) 494-4578 | C: (309) 370-0775

**From:** "Jeffrey Whiting" <Jeffrey.Whiting@tucsonaz.gov>  
**To:** <Redpath\_Patty@cat.com>  
**Date:** 03/07/2017 02:14 PM  
**Subject:** Re: RFP 161534 - Heavy Equipment

Hi Patty,  
Please see the attached document, and let me know if you have any additional questions. Thanks

Jeffrey Whiting  
Senior Contract Officer  
Department of Procurement  
255 W Alameda, 6th Floor  
Tucson, AZ 85726  
520-837-4123  
520-791-4735 Fax

[attachment "BAFO-CAT.docx" deleted by Patty Redpath/0A/Caterpillar]

# 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

## Cooperative Contracts -- March 8, 2017

Machine Model*	New Equipment
2017	Discount to Customer (Off List Price)

### Pavers

AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%

### Rollers

CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

\*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.



## 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

### Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

### Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

### Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

### Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

### Reclaimers

RM300	14.00%
RM500	14.00%

### Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

### Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

### Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

### Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

## 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

### Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

### Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

### Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

### Site Prep Tractor

586C	20.00%
------	--------

### Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

## 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

### Articulated Trucks

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

### Rigid Frame Trucks

770	10.00%
773	10.00%

### Landfill Compactors

816	14.00%
826	14.00%
836	14.00%

### Wheel Dozers and Soil Compactors

814	15.00%
815	15.00%
824	15.00%
825	15.00%

### Wheel Loaders

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

### Track Loaders

953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%
-----------	--------

Caterpillar Safety Services	15.00%
-----------------------------	--------

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

# Caterpillar January 9th, 2017 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	NIPA Participant Discount
60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)	
D13	50%
D20	50%
D25	50%
D30	50%
60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-8S (1 phase)	50%
60 HZ, 40 - 60 kW (Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
60 HZ, 40 - 100 kW (Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGEN" Caterpillar Price List)	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
60 HZ, 125 - 175 kW (Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
60 HZ, 200 kW (Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)	
D200-2 (3 phase)	35%
C9, 60 HZ, 200 - 300 kW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	38%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C9, 60 HZ, 200 - 300 kW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C13PGAN, 350kW & 400kW	37%
C15, 60 HZ, 350 - 500 kW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C15, 60 HZ, 455 - 500 kW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 kW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)	
(EPA & CARB Tier 4 Final Emissions Certified)	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 kW (Reference the "PSNA-EPG-F_C27PGAG" Caterpillar Price List)	
750 kW	36%
800 kW	36%

C27, 60 HZ, 725 - 800 kW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List) (EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW (Reference the "PSNA-EPG-F_C32PGBG" Caterpillar Price List)	
1000 kW	38%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use) (Reference the "PSNA-EPG-F_3512PGFL" Caterpillar Price List)	
Standby Rating Only - 1600 kW	37%
Standby Rating Only - 1750 kW	35%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use) (Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Standby Rating Only - 2000 kW	40%
Standby Rating Only - 2500 kW	38%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available (Reference the "PSNA-EPG-F_3516PGEL" Caterpillar Price List)	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available (Reference the "PSNA-EPG-F_3516PGEL" Caterpillar Price List)	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1) (Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	34%
High Voltage - Standby Rating Only - 2000 kW	34%
3516B, 60 HZ, 2250 kW (EPA Tier 1) (Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	34%
High Voltage - Standby Rating Only - 2250 kW	34%
G3412, 60 HZ, 375kW, 450kW, 500kW (Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt (Available by Design To Order Only)	17%
G3512 Stationary Certified 750kW, 1000kW (Reference the "PSNA-EPG-F_G3512NL" Caterpillar Price List)	17%
G3516 1040 kW Standby (Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	17%
G3516 (Reference the "PSNA-EPG-F_G3516AEPL" Caterpillar Price List)	17%
G3516C, 1475kW, 1800kW (Reference the "PSNA-EPG-F_G3516CTPL" Caterpillar Price List)	17%
G3516H 1968kW (Reference the "PSNA-EPG-F_G3516HNL" Caterpillar Price List)	17%
G3520H 2469kW (Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List)	17%
G3520C 1800kW, 1900kW, 2055kW (Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List)	17%
CG132, CG170, CG260 (custom) Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets. Each quote is custom for the specific application. However, members will receive a 15% discount off of the configured list price from each member's local dealer.	15%
C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use) (Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List)	
4000 kW (with Fan Rating)	24%
C175, 60 HZ, 3000 kW (EPA Tier 4) (Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List)	
3000 kW (with Fan Rating)	19%
C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use) (Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List)	
3000 kW (with Fan Rating)	30%
3100 kW (without Fan Rating)	30%
G30PGAN, 30kW	31%
G80PGAN, 50kW, 60kW, 80kW	31%
G150PGAN, 100kW, 125kW, 150kW	35%
Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW (Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)	
G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%

G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%
APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List) 20 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List) 30 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)	23%
XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List) 60 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List) 182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List) 320 kW* (3 phase or 1 phase)	23%
XQ425BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ425BN" Caterpillar Price List)	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List) 455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List) 725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified) (Reference the "XQ2000N" Caterpillar Price List) 1825 kW* (3 phase)	19%
Switchgear (customizable)	12%
Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a <u>12% discount</u> off of the configured list price from each member's local dealer.	
UPS (Uninterruptible Power Supply)	
Flywheel Options	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0800G - UPS 600 480V 60HZ	20%
UP0300Z - UPS 300 480V 60HZ	20%
UP0600Z - UPS 600 480V 60HZ	20%
UP0900Z - UPS 900 480V 60HZ	20%
UP01200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
Epic (Reference the "CATEPICG" Price List)	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
Supervisory Control Panel (Reference the "CATSCPN" Price List)	
EMCP 4.4 SCP	10%
ATS (AUTOMATIC TRANSFER SWITCHES)	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%



### **3. City's Request for BAFO**

Date March 7, 2017

*Sent via electronic mail, this day*

Patty Redpath, Governmental Account Manager  
Caterpillar Inc.  
100 NE Adams St.  
Peoria, IL, 61629  
Email: redpath\_patty@cat.com

Subject: Request for Proposal No. 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services – Request for Best and Final Price

Dear **Mrs. Redpath**:

The City of Tucson is in receipt of Caterpillar's signed Summary of Negotiated Items for RFP No. 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services. In order for the evaluation committee to proceed with the evaluation of your proposal, it is requested that you submit a revised offer.

Attached you will find your firms original discount off list, provided with the original offer. Please review this document, and determine if any additional discounts can be offered to the City and its participating partners. If you decide to keep your firm's pricing the same, you will still need to provide a revised discount off offer, and return it to me.

If there are other areas in your offer that you wish to revise, please also do so at this time.

Please provide a written response to me no later than **Wednesday, March 08, 2017 at 4:00PM**. You may e-mail your response to [Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov).

The City of Tucson appreciates your attention to this request.. If you should have any questions, please contact me at (520) 837-4123.

Sincerely,



Jeffrey Whiting  
Contract Officer

## **4. Caterpillar's Response to RFP 161534**

**ORIGINAL**



# CITY OF TUCSON

Request for Proposal

#161534

Heavy Equipment, Parts, Accessories, Supplies and Related Services



Submitted by:

**Caterpillar Inc. / Empire Machinery**

November 14, 2016

## **Table of Contents**

---

1. Introductory Letter  
Signed Offer and Acceptance Form  
RFP #161534 As Issued
2. City of Tucson Proposal Evaluation Questionnaire Response – Caterpillar Inc.
3. National IPA Supplier Qualification Questionnaire Response – Caterpillar Inc.
4. Proposed Exceptions to RFP #161534 – Caterpillar Inc.
5. Empire Machinery Proposal and Exceptions
6. Price Proposal / Discounts  
Machines  
Electric Power
7. Example Price Lists
8. 2015 Executive Summary: Year in Review and Sustainability Report
9. Caterpillar Dun & Bradstreet Report
10. City of Tucson Business License
11. Example Warranty Statements
12. Insurance Certificates
13. Payment Letter



**Caterpillar Inc.**

100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting  
Department of Procurement  
Contract Officer  
255 W. Alameda, 6<sup>th</sup> Floor  
Tucson, AZ 85701

Dear Mr. Whiting,

It is with great pleasure that Caterpillar Inc. has been given an opportunity to respond to RFP #161534. We have found that our participation in the previous contract was beneficial to us as a manufacturer, our authorized dealers, and from many positive points of feedback – from governmental customers as well.

As you will see in the following pages, we have structured the response in two parts. The response from Caterpillar Inc., considers the entirety of our US Dealer Network who will be encouraged to use this contract via National IPA. Then for a very specific response to the needs of the City of Tucson, our local authorized dealer, Empire Machinery has added a response to detail their capabilities and commitments.

To facilitate your review of the documents, we have separated these responses into five main sections:

- 1) Questionnaire Responses to the City of Tucson;
- 2) Questionnaire Responses to National IPA;
- 3) Proposed Exceptions;
- 4) Empire Machinery Responses;
- 5) Attachments

If you have any questions during your review of these documents we would be happy to clarify.

We look forward to continuing our relationship with the City of Tucson and National IPA and trust that our submission will not only meet your needs and expectations – but exceed them!

Most sincerely,

A handwritten signature in cursive script that reads "Ann Schreifels".

Ann Schreifels  
Governmental Sales Manager  
Schreifels\_ann\_m@cat.com  
309-338-5976

## OFFER AND ACCEPTANCE

### OFFER

#### TO THE CITY OF TUCSON:

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

Caterpillar Inc.

Company Name

100 NE Adams St.

Address

Peoria IL 61629

City State Zip



Signature of Person Authorized to Sign

Name: Patty Redpath

Title: Governmental Account Manager

Phone: 309-494-4578

Fax: 309-675-4301

E-mail: redpath\_patty@cat.com

Brian Foster

Printed Name

North American Sales Manager

Title

### ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-D1.

Approved as to form this 25<sup>th</sup> day of April, 20<sup>17</sup>16.



As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation

Awarded this 24<sup>th</sup> day of April, 20<sup>17</sup>16.



for Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM  
As Director of Procurement and not personally



# REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON  
DEPARTMENT OF PROCUREMENT  
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701  
P.O. BOX 27210, TUCSON, AZ 85726  
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534  
RFP AMENDMENT NO. ONE (1)  
PAGE NO. 1 OF 1  
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time  
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.  
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

## Heavy Equipment, Parts, Accessories, Supplies and Related Services

### ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm.**

### ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1<sup>st</sup> Floor Conference Room, 255 W. Alameda, Tucson AZ 85701.**

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.  
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Ann Schreifels 11/11/16  
Signature Date  
Ann Schreifels Governmental  
Print Name and Title Sales Manager

Caterpillar Inc  
Company Name  
100 NE Adams St.  
Address  
Peoria IL 61629  
City State Zip

## PROPOSAL EVALUATION REQUIREMENTS

### A. Method of Approach

#### 1) National Program

- 1) Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

#### Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

#### 2) Distribution Network

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

#### Caterpillar Response

-Confidential-

Caterpillar products (equipment, accessories, parts, repair and services) are sold and supported through Caterpillar's authorized Dealer network. These Dealers are established, independent businesses that understand the needs of their local customers and communities. Across North America, the majority of Caterpillar Dealers have supported the needs of their local customers and communities for decades.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than \$400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Caterpillar maintains 10 parts distribution warehouses throughout North America to ensure that almost all parts can reach our dealers within 24-48 hours. In addition to the Caterpillar owned parts inventory, Cat dealers collectively stock over \$1 Billion in protective parts inventory to minimize downtime for their customers. Currently the national average for 24-hour parts availability is at a 99% fill rate.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability.

Please refer to subsection d below which expands on some of these capabilities.

- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

**Caterpillar Response**

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

- c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

**Caterpillar Response**

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

<b>CONSTRUCTION INDUSTRIES</b>	
U.S. Facilities	Facilities Outside the U.S.
<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagamiara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong
<b>RESOURCE INDUSTRIES</b>	
<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet <b>North Carolina:</b> Winston-Salem <b>Pennsylvania:</b> Houston <b>South Carolina:</b> Sumter <b>Tennessee:</b> Dyersburg <b>Texas:</b> Dennison <b>Wisconsin:</b> South Milwaukee	<b>Australia:</b> Beresfield, Burnie <b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou <b>Czech Republic:</b> Ostrava <b>France:</b> Arras <b>Germany:</b> Dortmund, Lunen <b>India:</b> Hosur, Thiruvallur <b>Indonesia:</b> Batam <b>Italy:</b> Jesi <b>Japan:</b> Sagamiara <b>Mexico:</b> Acuña, Monterrey, Reynosa, Torreon <b>Russia:</b> Tosno <b>Thailand:</b> Rayong <b>United Kingdom:</b> Peterlee
<b>ENERGY &amp; TRANSPORTATION</b>	
<b>Alabama:</b> Albertville, Montgomery <b>California:</b> San Diego <b>Georgia:</b> Griffin <b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac <b>Indiana:</b> Lafayette, Muncie <b>Kentucky:</b> Decoursey, Louisville, Mayfield <b>South Carolina:</b> Newberry <b>Texas:</b> Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Australia:</b> Revesby <b>Belgium:</b> Gosselies <b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas <b>China:</b> Tianjin, Wuxi <b>Czech Republic:</b> Zatec <b>Germany:</b> Kiel, Mannheim, Rostock <b>India:</b> Hosur, Aurangabad <b>Mexico:</b> San Luis Potosi, Tijuana <b>Republic of Singapore:</b> Singapore <b>Sweden:</b> Ockero Islands <b>Switzerland:</b> Riazzino <b>United Kingdom:</b> Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled \$9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

#### **Caterpillar Response**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

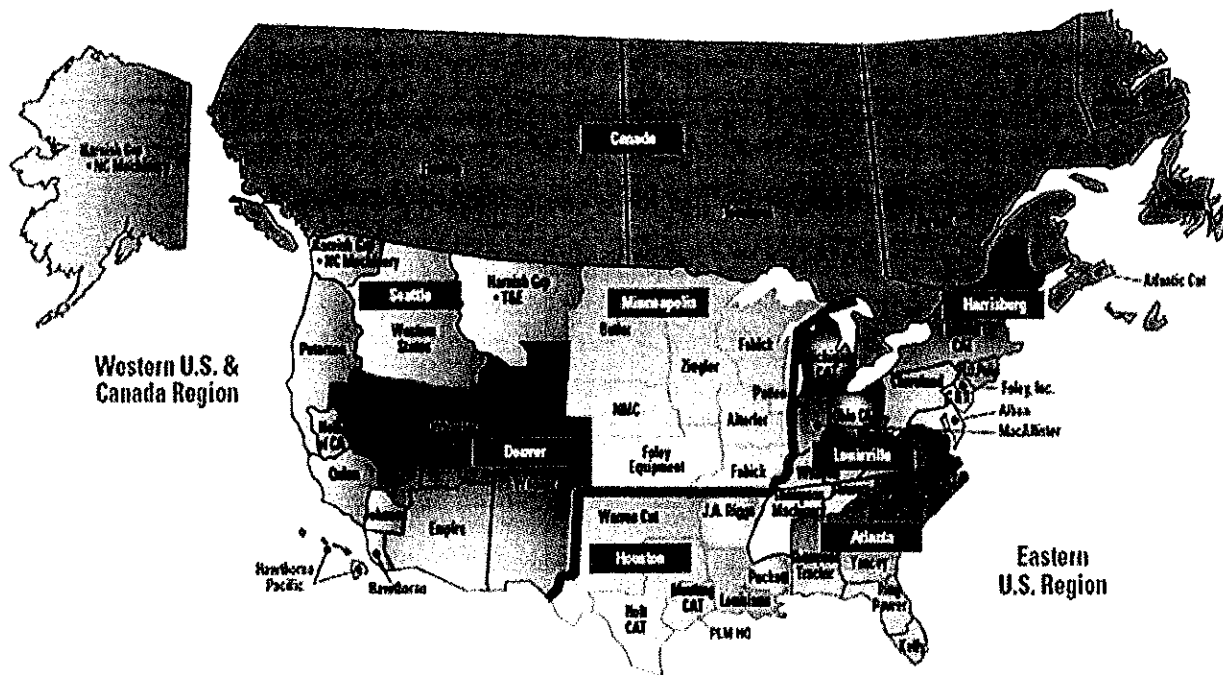


Image 1: North American Dealer Network

3) Product

- a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

**Caterpillar Response**

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

**Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

**Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/branded lines of equipment offered by Cat dealers for purchase under this contract.

2. **Identification and description of sub categories.**

**Caterpillar Response**

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

[http://www.cat.com/en\\_US/products/new/equipment.html](http://www.cat.com/en_US/products/new/equipment.html)

**Recycling and Waste**

Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

[http://www.cat.com/en\\_US/products/new/by-industry/waste.html](http://www.cat.com/en_US/products/new/by-industry/waste.html)

**Construction Equipment**

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development.



This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/construction.html](http://www.cat.com/en_US/products/new/by-industry/construction.html)

#### **Technology & Solutions**

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

[http://www.cat.com/en\\_US/support/operations/technology.html](http://www.cat.com/en_US/support/operations/technology.html)

#### **Paving**

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/paving.html](http://www.cat.com/en_US/products/new/by-industry/paving.html)

#### **Work Tools**

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/attachments.html](http://www.cat.com/en_US/products/new/attachments.html)

#### **Other/Miscellaneous/Allied**

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

- Identify accessories, parts, services, etc. that are available through the manufacturer.

#### **Caterpillar Response**

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over \$1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

**Caterpillar Response**

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

**Caterpillar Response**

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: [www.cat.com](http://www.cat.com)

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

6. Do you offer color choices for each product listed?

**Caterpillar Response**

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

- b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

<u>140M3 Motor Grader</u>	<u>Months</u>	<u>Hours</u>
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2. description of your warranty claims procedures.

**Caterpillar Response**

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3. description of your policy addressing warranty issues related to:

- i. Major Component Failures
- ii. Engineering Deficiencies
- iii. Describe your firm's standard response time to address warranty failure issues.

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering Deficiencies, and Empire Machinery's standard response time to address

warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

**Caterpillar Response**

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

- d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

**Caterpillar Response**

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

- e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

**Caterpillar Response**

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- f. Submit all information that will aid the City in evaluating your proposal

**Caterpillar Response**

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

<http://www.caterpillar.com/en/company/sustainability.html>

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

*INTENTIONALLY LEFT BLANK*



Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html)

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html)

[http://www.cat.com/en\\_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html](http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html)

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations
- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council

- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rankings ranks Caterpillar 72<sup>nd</sup> out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19<sup>th</sup> Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

**Caterpillar Response**

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

**Caterpillar Response**

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing requirements. As a commitment to servicing our customers, Cat dealers invest over \$75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

*INTENTIONALLY LEFT BLANK*

## U.S. Dealer Locations

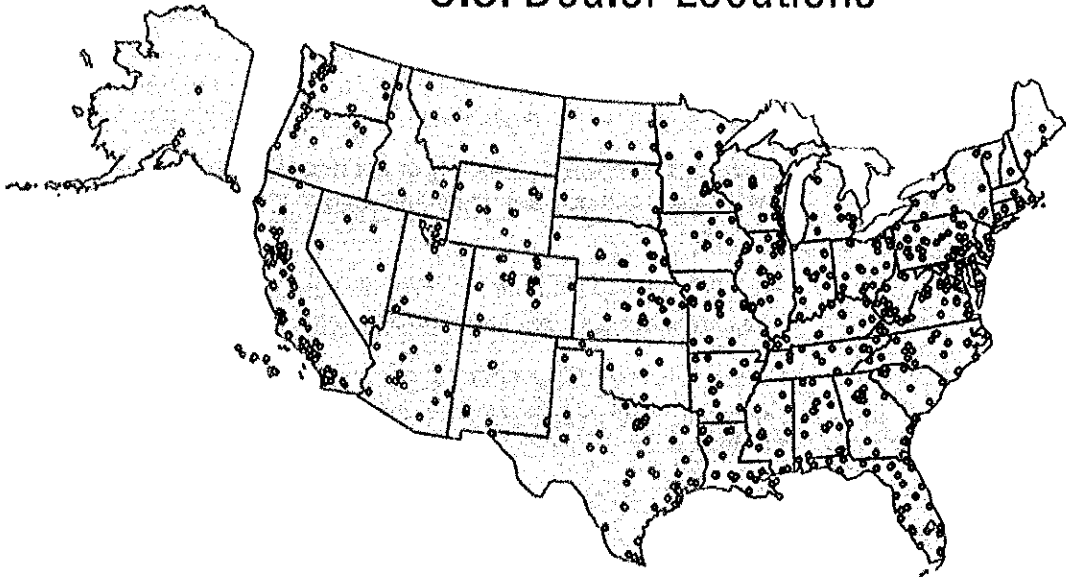


Image 2: US Dealer Locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

### **Caterpillar Response**

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

4. Describe your training programs, addressing, at a minimum, the following:
  - i. How will equipment training be conducted?
  - ii. Describe the training curriculum for the equipment operators.
  - iii. Describe the training curriculum for the service technicians.
  - iv. How will you accommodate various work shifts?
  - v. What type of documentation is provided with the proposed training?
  - vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
  - vii. Is the training provided by the manufacturer, dealer or both?

### **Caterpillar Response**

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: [http://www.cat.com/en\\_US/support/operations/cat-training.html](http://www.cat.com/en_US/support/operations/cat-training.html)

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

## **5) Ordering and Invoices**

### **a. Describe your order process.**

#### **Caterpillar Response**

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### **b. How do agencies work with your firm to determine appropriate equipment needs?**

#### **Caterpillar Response**

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.



- c. Describe the equipment delivery process and your delivery commitment.

**Caterpillar Response**

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- d. What is your standard equipment delivery timeframes?

**Caterpillar Response**

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- e. How does your firm communicate order cut off dates to your customers?

**Caterpillar Response**

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- f. Identify and describe any exceptions or challenges.

**Caterpillar Response**

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

**Caterpillar Response**

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific

a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

**Caterpillar Response**

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

**Caterpillar Response**

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

**Caterpillar Response**

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

- k. Titles- will equipment be provided with proof of registration with the state?

**Caterpillar Response**

Where appropriate, all titles will be provided with proof of registration with the state.

- l. Will each product be delivered free of distributor advertising?

**Caterpillar Response**

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

- 6) Other

- a. Describe any government rebate programs applicable.

**Caterpillar Response**

No specific governmental rebate programs are currently available.

**B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

### **Caterpillar Response**

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 2) Based on your distribution network, explain how freight is calculated.

### **Caterpillar Response**

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contract. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

**Caterpillar Response**

CONFIDENTIAL – Request confidential treatment –

Several factors will come into play when looking at possible price adjustments. Given that our machines and their components are largely made up of a variety of metals, commodity prices will have a significant impact on how pricing is adjusted moving forward. Combined with the fluctuation in fuel cost, rubber prices as well as the cost associated to the development of technologies associated to meeting emissions regulations, we expect the prices of heavy equipment to continue to rise. With this uncertainty, Caterpillar is asking that the most current published pricing, Caterpillar's suggested Consumer Price List, be that which is used in the quotation of equipment for this contract by the supporting Dealers. Failure to do so may limit Caterpillar's ability to commit to the pricing terms as outlined in this solicitation.

Typically, price changes go into effect on the first business day of the calendar year. However, Caterpillar reserves the right to adjust prices up or down as needed with an understanding that price changes may impact purchase intentions.

In a rare situation where Caterpillar determines a need to make price list corrections/reductions we reserve the right to adjust discount structures as long as that discount change is not detrimental to the customer.

With more than 300 products, Caterpillar introduces new products and removes outdated products periodically throughout the year. Caterpillar will provide the City of Tucson an updated equipment list and discount structure when these changes take place.

**Past and Future Price Increases**

JAN2014:	0 to 3%	plus 0 to 5% if emissions related, and -14% on WHEX
JAN2015:	-2 to 4%	plus 0 to 4% emissions related
JAN2016:	-4 to 4%	plus 3% emissions on D6K, 815 and 816
JUL2016	0 to 2%	some paving equipment only
JAN2017:	0 to 4 %	

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

**Caterpillar Response**

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

**Caterpillar Response**

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

**Caterpillar Response**

None available at this time.

- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0 %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

- 8) Will payment be accepted via commercial credit card? ☐ Yes ☒ No
- a. If yes, can commercial payment(s) be made online? ☐ Yes ☐ No
- b. Will a third party be processing the commercial credit card payment(s)?  
☐ Yes ☐ No
- c. If yes, indicate the flat fee per transaction \$\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
- d. If "no" to above, will consideration be given to accept the card? ☒ Yes ☐ No

**Caterpillar Response**

\*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

- 9) Does your firm have a City of Tucson Business License? ☒ Yes ☒ No
- a. If yes, please provide a copy of your City of Tucson Business license.

**Caterpillar Response**

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

**Caterpillar Response**

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be



successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealers have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

- 2) Describe your dealer network and their role in providing products and services under this contract.

**Caterpillar Response**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on  
[http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

**Caterpillar Response**

Nationally, the contract will be managed by:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

**Caterpillar Response**

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

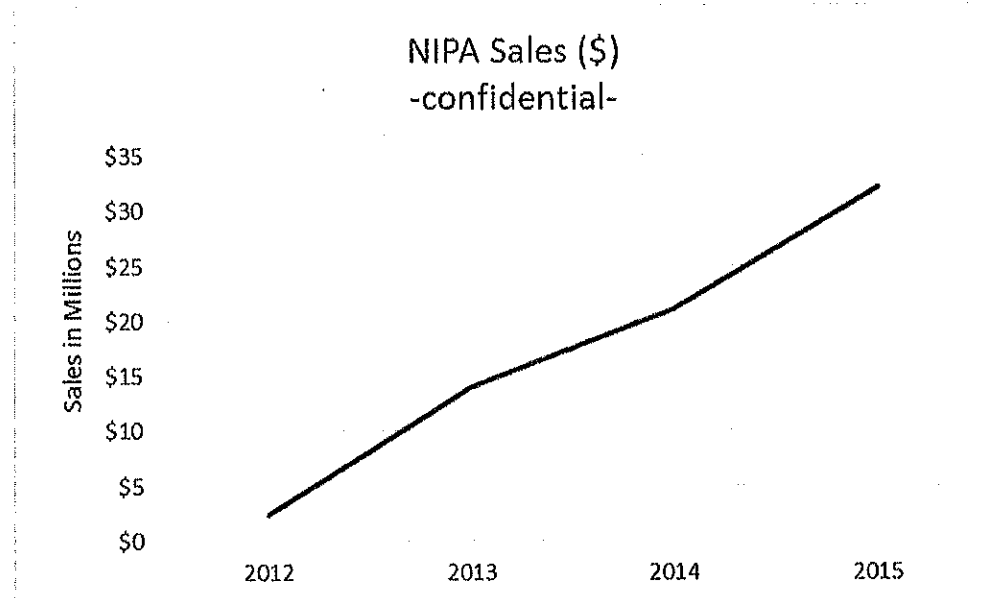
Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.

**Caterpillar Response (Only)**

- CONFIDENTIAL – Request confidential treatment –

Our success with the National IPA partnership has been outstanding. Our internal sales support staff as well as our dealers embrace the concept and fully understand how to use the program. Our results since signing the contract in 2012 have been impressive as the chart below demonstrates:



Please also refer to vendor's response section 2015 Year In Review

- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

**Caterpillar Response**

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

- 7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

**Caterpillar Response**

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

## **National IPA Exhibit A – National IPA Response for National Cooperative Contract**

### **3. SUPPLIER QUALIFICATIONS**

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

#### **3.1 Company**

##### **A. Brief history and description of your company.**

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy that there are three main partners in our business – Caterpillar, Cat dealers and customers. All three elements must be successful individually for all three to be successful over the long term. It's a symbiotic relationship where all benefit when they all grow together. This success is evident in the fact that many of our dealers are owned by multiple generations of the same family and multiple generations of customers continue to purchase products and services.

##### **B. Total number and location of sales persons employed by your company.**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

C. Number and location of support centers (if applicable).

Caterpillar products are sold and supported by our authorized dealer network of 49 dealers in the US and 4 in Canada. These dealers are established, independent businesses that understand well the needs of their local customers and communities. These dealers typically have the majority of parts on-hand and the national average for 24-hour availability is 99%. In addition, Caterpillar maintains 10 parts distribution warehouses throughout the country to ensure that almost all parts can reach a customer within 24-48 hours.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than \$400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Each Cat dealer operates in multiple branch locations and uses parts drop boxes and mobile service trucks.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability. Subsection d below expands on some of these capabilities.

## U.S. Dealer Locations

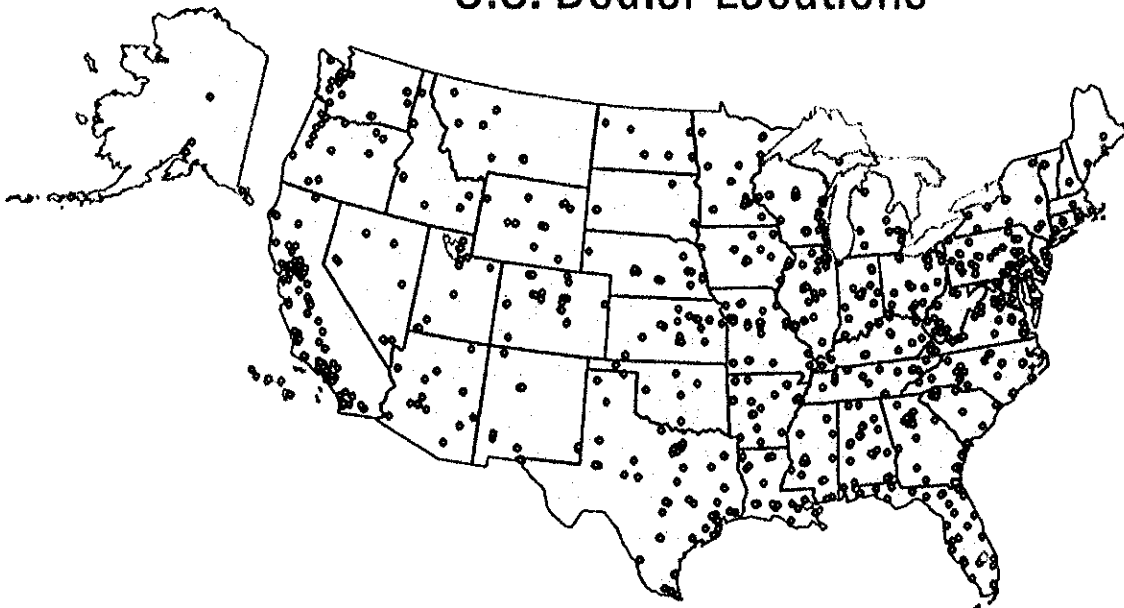


Image 1, Caterpillar Dealer Branch Operations

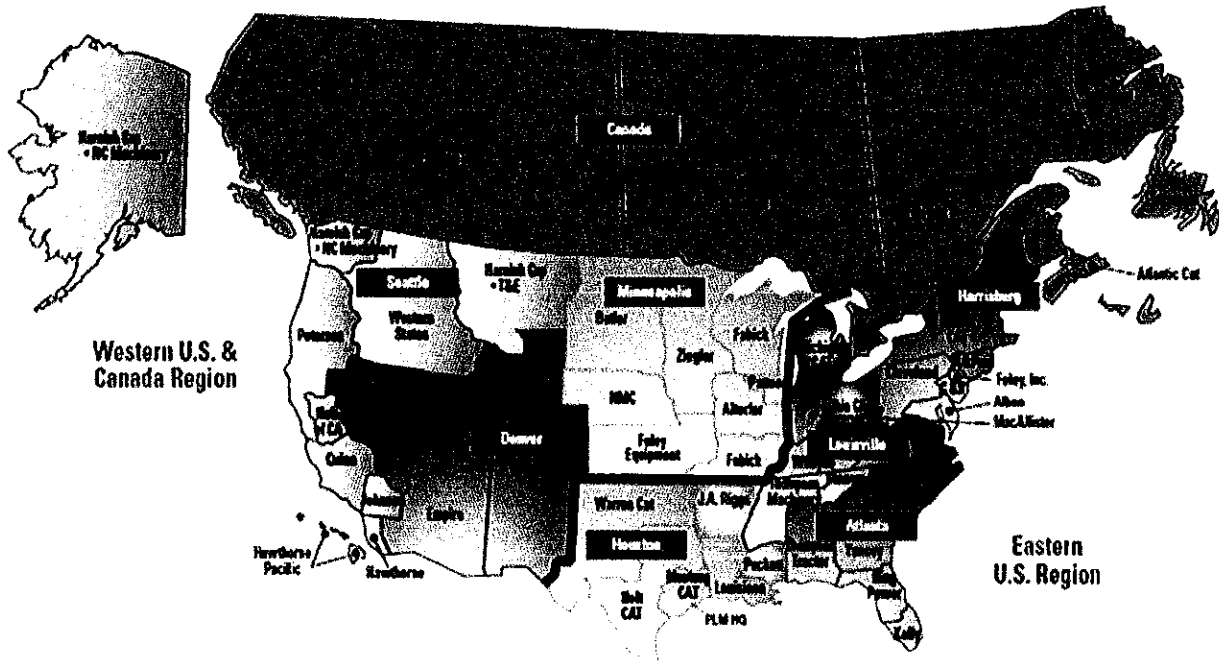


Image 2, Caterpillar North American Dealer Territories

D. Annual sales for the three previous fiscal years.

2013 – \$55.6B  
 2014 – \$55.1B  
 2015 - \$47.0B

E. Submit your FEIN and Dunn & Bradstreet report.

Caterpillar's Employee Identification Number is 37-0602744

Please refer to vendor's response section Dunn & Bradstreet

### 3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.

Caterpillar products and services are distributed principally through a worldwide network of independent dealers (dealer network), which includes 49 located in the United States, and 4 in Canada.

See Image 2, above.



- B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

All North American dealers and or their subsidiaries process, handle or ship the products / services to end users. Outside companies are used to transport equipment, but do not assume ownership.

- C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

Segment	U.S. Facilities	Facilities Outside the U.S.
Construction Industries	Arkansas: North Little Rock Illinois: Aurora, Decatur, East Peoria North Carolina: Clayton, Sanford Texas: Victoria Georgia: Athens	Belgium: Gosselies Brazil: Campo Largo, Piracicaba China: Suzhou, Wujiang, Xuzhou, Qingzhou France: Grenoble, Echiroles Hungary: Godollo India: Thiruvallur Indonesia: Jakarta Japan: Akashi, Sagami-hara Poland: Janow, Sosnowiec Russia: Tosno, Novosibirsk United Kingdom: Desford, Stockton Thailand: Rayong

**Resource Industries**

Illinois: Aurora, Decatur, East Peoria, Joliet  
 North Carolina: Winston-Salem  
 Pennsylvania: Houston  
 South Carolina: Sumter  
 Tennessee: Dyersburg  
 Texas: Denison  
 Wisconsin: South Milwaukee

Australia: Beresfield, Burnie  
 China: Langfang, Tongzhou, Wuxi, Zhengzhou  
 Czech Republic: Ostrava  
 France: Arras  
 Germany: Dortmund, Lunen  
 India: Hosur, Thiruvallur  
 Indonesia: Batam  
 Italy: Jesi  
 Japan: Sagami-hara  
 Mexico: Acuna, Monterrey, Reynosa, Torreon  
 Russia: Tosno  
 Thailand: Rayong  
 United Kingdom: Peterlee

**Energy & Transportation**

Alabama: Albertville, Montgomery  
 California: San Diego  
 Georgia: Griffin  
 Illinois: LaGrange, Mokena, Mapleton, Pontiac  
 Indiana: Lafayette, Muncie  
 Kentucky: Decatur, Louisville, Mayfield  
 South Carolina: Newberry  
 Texas: Channelview, De Soto, Mabank, San Antonio, Schertz, Seguin, Sherman

Australia: Revesby  
 Belgium: Gosselies  
 Brazil: Curitiba, Hortolandia, Piracicaba, Sete Lagoas  
 China: Tianjin, Wuxi  
 Czech Republic: Zatec  
 Germany: Kiel, Mannheim, Rostock  
 India: Hosur, Aurangabad  
 Mexico: San Luis Potosi, Tijuana  
 Republic of Singapore: Singapore  
 Sweden: Ockerö Islands  
 Switzerland: Riazano  
 United Kingdom: Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

- D. State any return and restocking policy and fees, if applicable, associated with returns.

N/A

- E. Describe the full line of products and services offered by your company.

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

### **Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

### **Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

### **Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

### **Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Cat dealers as a branded Caterpillar product, or as allied equipment.

In addition to the new machines and power systems mentioned above, Caterpillar dealers also offer a complete line of OEM repair parts, work tools and attachments that are included in our offer.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by all Cat dealers and also included under this contract.

The purchasing of used equipment and the renting of equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

For the purposes of calculating the administrative fees associated with cooperative purchasing, only new Cat equipment sales will qualify as it is impossible for Caterpillar to track and measure sales of parts, service, used, rental, and allied equipment.

### 3.3 Marketing and Sales

- A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
  - i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days.  
Agree.
  - ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

Should Caterpillar be awarded the contract a formal announcement of the award will be made to Caterpillar's field force and Caterpillar's dealer network. We anticipate this first communication to take place within the first 30 days of final award.

Since the roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of end users nationwide.

We will continue to aggressively market the Master Agreement and continue ongoing sales training. The growth rate from the previous contract has been impressive and we have every reason to believe that the trend will continue.

- B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
- i. Creation and distribution of a co-branded press release to trade publications Agreed.
  - ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days Agreed.
  - iii. Design, publication and distribution of co-branded marketing materials within first 90 days Agreed.
  - iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement Agreed as calendars and budgets allow.
  - v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA. Agreed as calendars and budgets allow.
  - vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement Agreed as budgets allow.
  - vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.) Agreed.
  - viii. Dedicated National IPA internet web-based homepage on Supplier website with:
    - National IPA standard logo;
    - Copy of original Request for Proposal;

- Copy of contract and amendments between Principal Procurement Agency and Supplier;
- Summary of Products and pricing;
- Marketing Materials
- Electronic link to National IPA's website including the online registration page;
- A dedicated toll free number and email address for National IPA

Caterpillar internet standards will not allow a dedicated page on our website, however we will be able to make the information above accessible to customers and dealers. We strongly believe that directing customers to the National IPA webpage has an advantage over reproducing the information on our own site. Seeing the breadth and scope of additional contracts adds to the overall credibility of the concept.

Caterpillar has been very successful promoting the National IPA contract since it was first awarded. We intend to continue this promotion strategy. We will continue to work closely with the National IPA account manager and marketing teams to be certain we are working well together to pursue our mutual goal of growing contract sales.

While our marketing budget may prohibit executing some of the activities mentioned above, it is our intention to comply with the spirit of the section.

Additionally, many of our dealers have public websites that provide similar information to the market. The following is an example of Empire Machinery's web link:

<http://www.empire-cat.com/cooperativepurchasing/?terms=city%20of%20Tucson>

- C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

Since roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Cat dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of our customers nationwide.

Caterpillar will encourage dealers and customers to embrace cooperative purchasing and we will ensure that there are no corporate roadblocks to adoption. However, ultimately, the decision to use contracts lies with the public agency itself. Therefore, transitions to the contract will take place at the pace that agencies feel comfortable.

Caterpillar presently holds two cooperative contracts. Those contracts are NJPA Heavy Equipment Contract #032515 and NJPA Alternative Energy / Generators Contract #080613. Caterpillar, through Caterpillar's Defense and Federal Products business unit, currently holds GSA contract #GS30F0018U.

For the purpose of this proposal, Caterpillar's NJPA Heavy Equipment Contract #032515 provides the same product offering and discount structure as is being submitted in this proposal.

- D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

Per corporate brand and legal guidelines, Caterpillar company logos can be used by National IPA pursuant to existing contract.

Caterpillar will request proper permission to use the National IPA logo as well.

- E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
- i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
  - ii. Best government pricing
  - iii. No cost to participate
  - iv. Non-exclusive contract

Should Caterpillar be awarded the contract, Caterpillar ensures that training and marketing materials associated to the Master Agreement will clearly communicate the advantages of the National IPA agreement.

- F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
- i. Key features of Master Agreement
  - ii. Working knowledge of the solicitation process
  - iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
  - iv. Knowledge of benefits of the use of cooperative contracts

Should Caterpillar be awarded the contract, Caterpillar will ensure that training and marketing materials associated with the Master Agreement will continue as described above.



G. Provide contact information for the person(s), who will be responsible for:

- i. Marketing
- ii. Sales
- iii. Sales Support
- iv. Financial Reporting
- v. Contracts

Patty Redpath  
Governmental Sales  
100 NE Adams St, Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

Caterpillar's North American field force is divided into eight districts including Canada. Each district has marketing representatives that are responsible for working with assigned dealers within their service territory. The eight districts are divided into a Western Region and an Eastern Region. Both a Western Region Manager and an Eastern Region Manager report to Brian Foster who serves as the Industry Sales Manager for Americas North.

Brian Foster  
Americas North Sales Manager  
309-675-5181  
FOSTER\_BRIAN\_V@cat.com

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

Through our governmental specialists and the contract manager, Caterpillar will develop training materials along with marketing initiatives specific to the cooperative purchasing model to ensure that dealers are equipped with the necessary tools to present the message to the customer with confidence.

Cat dealer sales representatives have developed relationships with the National IPA sales representatives. As these relationships continue to grow, the results can be expected to grow as well.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, etc.

The contract manager will be the single point of contact for any issues related to supporting, maintaining, and promoting the contract. It will be up to each individual

dealer to identify those customers that would benefit from the program's use and will promote it accordingly.

- K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

- CONFIDENTIAL – Request confidential treatment –

Caterpillar's governmental sales in 2015 were \$900M+ from 5,000+ units.

Customers who purchase Caterpillar equipment are ultimately the customers of the local Dealers who serve them. As such Caterpillar does not have all the contact information for customers requested here. Caterpillar also regards all customer transaction information as confidential and reserves the right to withhold such information.

- L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Caterpillar receives orders and payments from dealers. The equipment then becomes part of a dealer's inventory until sold to a customer. When a public agency decides to purchase a machine through this master contract, Caterpillar will offer additional support to the dealer via our post-sale credit system. The dealer will be required to submit the agency's name, address, member number and purchase amount. Caterpillar has no way to track sales of parts, service, used machines or rentals.

- M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

\$ .00 in year one

\$ .00 in year two

\$ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

Caterpillar will not guarantee a minimum number of sales. Dealers and customers have high level of awareness about the contract. Sales should continue to grow as a result of their satisfaction with the process.

- N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.
- i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
  - ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
  - iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
  - iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

Caterpillar will report sales to National IPA when a customer has requested that the sale take place via the contract. In any other situation Caterpillar will consider the sale a non-contract sale and will not be responsible for any fees.



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting  
Contract Officer  
City of Tucson  
255 W. Alameda, 6<sup>th</sup> Floor  
Tucson, AZ 85701

Dear Mr. Whiting:

We are very pleased to submit Caterpillar Inc.'s proposal in response to RFP #161534. The attached document outlines our proposed exceptions to the RFP.

With more than 90 years of experience, Caterpillar has the in-depth knowledge and experience to undertake this initiative on behalf of the City of Tucson and complete it effectively. We, along with our dealer, Empire Machinery, appreciate the trust you've placed in us through your past purchases and we hope to continue this valued relationship.

We would be pleased to answer any questions you might have regarding our proposal. Thank you for the opportunity to submit these exceptions for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ann Schreifels".

Ann Schreifels  
Governmental Sales Manager  
Schreifels\_ann\_m@cat.com  
309-266-0471

Caterpillar Inc. Exceptions

SCOPE OF WORK

A. GENERAL REQUIREMENTS

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer may present the training material shall be presented in a quality suitable for videotaping. Dealer and Contractor ~~The City~~ reserves the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.
6. **REPAIRS.** The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in first service. Transport of the vehicle will not be delayed more than one working day from date of notification.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

3. **PRICING:** Offerors shall confidentially provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

- 1/b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. City and Dealer will work together to determine the City's loaner equipment requirements and the cost to the city for loaner equipment. For the City of Tuscon see Empire Cat's response. ~~If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.~~

## **INSTRUCTIONS TO OFFERORS**

**10. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his or her designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his or her designee, the City shall be deemed to have rejected the proposal or offer in part. The parties may agree to negotiate separate terms where the Director or his or her designee has not accepted a modification. ~~the contract provisions contained in the City's Request for Proposal shall prevail.~~

**11. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and, subject to Section 12, shall become a matter of public record available for review subsequent to the award notification.

**12. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. ~~Price is not confidential and will not be withheld.~~ If the confidential request is denied, such information shall be disclosed as public information, unless the Offeror submits a formal written objection.

**21. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the applicable Contractor-Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 7914566 or email [at tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

## **SPECIAL TERMS AND CONDITIONS**

**2. SUBCONTRACTORS:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, City and the Department of Procurement hereby agree that certain obligations of Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

City and Contractor acknowledge that Contractor authorized dealers are independent businesses and as such (a) have the right to choose whether or not to accept the terms and conditions contained herein; and (b) have the right to establish their own specific resale prices and other terms and conditions of sale, none of which will be dictated by Contractor.

No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement. All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

4. **INSURANCE:** ~~The Contractor agrees to:~~ For purposes of this Section 4, all references to "Contractor" shall be deemed to be references to "Dealer" alone.
9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the ~~Contractor~~ applicable Dealer as a condition of their intended purchase transaction. If the ~~Contractor~~ Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

#### STANDARD TERMS AND CONDITIONS

29. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, ~~its successors, assigns and guarantors,~~ shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, ~~including claims of patent or copyright infringement,~~ damages, losses, reasonable expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions ~~of caused in whole or part by Contractor~~ relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Contractor or anyone directly or indirectly employed by Contractor or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors. ~~any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractor agrees to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.~~

29. **PAYMENT:** It is the Dealer's discretion whether to accept credit card payments and under what circumstances it will accept credit card payments. It is noted tThe City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases and subject to the foregoing, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.



The Contractor's payment terms shall apply to all purchases and to all payment methods.

38. **SUBCONTRACTS:** This Section 38 is made subject to the terms of Section 2 of the Special Terms and Conditions of this Contract. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by ~~the City~~ any party, with or without cause, upon giving thirty (30) days written notice. ~~The City~~ Any party, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. ~~The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:~~

In the reasonable opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the reasonable opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the reasonable opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the reasonable opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

## **ATTACHMENT A**

### **EXHIBIT A**

#### **1.2 Marketing, Sales and Administrative Support**

Suppliers are required to pay an administrative fee pursuant to Section 10 of Exhibit B, Monthly Reporting & Fees attached to of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

#### **1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the Supplier/local authorized dealer (Contract Sales are reported to National IPA).

### **EXHIBIT B**

## **NATIONAL IPA COMPANY ADMINISTRATION AGREEMENT**

### **TERM OF AGREEMENT**

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Supplier/Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

### **MONTHLY REPORTING & FEES**

10. Supplier shall pay National IPA an administrative fee in the amount of —%—1% of the total new machine purchase amount paid to Supplier, less refunds, credits on returns, rebates and discounts, for the sale of new machines to Principal Procurement Agency and Participating Public Agencies pursuant to the Master Agreement (as amended from time to time and including

any renewal thereof) ("Contract Sales"). Supplier shall provide National IPA with an electronic accounting report, in Microsoft Excel, in the format prescribed by National IPA, on a monthly basis summarizing all Contract Sales for the applicable month. A sample of the Contract Sales reporting format is provided as Exhibit C, attached hereto and incorporated herein by reference.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10<sup>th</sup> day of the following month. On the 10<sup>th</sup> day of the month following the end of each quarter Supplier shall pay an ~~Such reports shall be accompanied by an~~ administrative fee payment in the amount indicated on the report as being due. Administrative fee payments are made for each calendar quarter. The administrative fee isare to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or quarterly payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

#### **GENERAL PROVISIONS**

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA; provided, however, National IPA understands the nature of Supplier's distribution network and that certain responsibilities may only be fulfilled by an authorized dealer.



November 14, 2016

Jeffrey Whiting  
Department of Procurement  
Contract Officer  
255 W. Alameda, 6th Floor  
Tucson, AZ 85701

RE: Request for Proposal Number 161534  
Heavy Equipment, Parts, Accessories, Supplies and Related Services

On behalf of Caterpillar Inc. and Empire Machinery, we sincerely appreciate the opportunity to participate in RFP #161534 from the City of Tucson. We believe the current contract, #120377, is a very successful contract for all parties; City of Tucson, National IPA, National IPA Member Agencies, Caterpillar and CAT Dealers.

We believe Caterpillar's offer in RFP #161534, if awarded, has three major benefits to all parties that are currently utilizing Contract #120377.

**One – Capitalizing On the Momentum of Contract #120377**

Contract #120377 has grown more than 1700% since 2012, and has increased more than 50% every year through 2015.

**Two – Caterpillar's Product Offering Far Exceeds Any Other Manufacturer**

CAT offers 159 more individual machine models to the governmental market than our next closest competitor. The depth and breadth of these additional units represents three times more machines to service your needs, and results in potential multiples of higher revenue through the contract.

**Three – CAT Dealers' Larger Infrastructure in Both Stores and People to Serving the US**

Cat Dealers have the infrastructure in stores and people in numbers, greater than all our competitors combined. More and more CAT Dealer Sales Managers and Salespersons are discovering two major benefits of the City of Tucson/National IPA contract.

1. A nationally recognized municipality as the Lead Agency and,
2. A single award

When these features are presented, procurement staff and operating departments have much higher confidence and trust in the co-op bid process. U.S. Cat dealers continue to increase their presentations and visibility of the contract and thus secure the adoption by new and/or existing National IPA members. At Empire, we are experiencing an increased level of engagement, with our counterparts at other dealerships who are requesting our guidance and best practice suggestions- especially over the last 18 months as capital budgets have improved across the country.

The response will be separated into two sections. Section 3 and 4 is Cat only and Section 6 is a combined response, which will include the responses from both Caterpillar and Empire Machinery. This allows responses to be viewed together.


Caterpillar's response was prepared by Patty Redpath, Governmental Sales Account Manager based in Peoria, Illinois. Patty's response pertains to the scope of Caterpillar's responsibility, while remaining cognizant that each dealership and respective territory has their own business rules and local regulations. Caterpillar is not at liberty to make commitments in this response on behalf of all Cat dealers. Caterpillar's commitment is the pricing discount from their published list price on machines they manufacture. These will be available to every Caterpillar dealer in the United States in the event that a local agency requests to purchase from this contract, and that specific Caterpillar dealer agrees with both the pricing level offered and agrees to accept any additional terms the agency requires.

The dealer response is from Empire Machinery, referred to as "Dealer Response". Empire approached our submission as if we were preparing our proposal solely for the City of Tucson. Empire's business relationship with the City of Tucson is highly valued and is our primary focus. The Empire Machinery section should only be considered as a commitment of what Empire will provide the City of Tucson and other agencies in our Cat territory. If this submission provides particular value, it may be used in the NIPA marketing effort to potential agencies in understanding what a Caterpillar dealership is capable of, but in no way is meant to imply or represent that any other dealers can or will provide the exact scope or elements that Empire offers the City of Tucson.

In addition, Empire represents several products that Caterpillar does not manufacture, but were requested in the RFP. We refer to non-Caterpillar products at Empire as "Allied" products. These help enhance or complete the machines for applications our customers need. Additional information is included in the Empire section entitled "Allied Products".

Thank you for the opportunity to participate in this solicitation for the City of Tucson.

Sincerely,



Clinton Swapp  
Sales Account Manager  
520-240-8213  
[Clinton.Swapp@empire-cat.com](mailto:Clinton.Swapp@empire-cat.com)



Mark McGee  
Governmental Industry Manager  
520-240-8292  
[Mark.McGee@empire-cat.com](mailto:Mark.McGee@empire-cat.com)

## PROPOSAL EVALUATION REQUIREMENTS

### A. Method of Approach

#### 1) National Program

- a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

##### Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

##### Dealer Response

Empire Machinery will be providing a response to RFP #161534 on behalf of Caterpillar's Dealer network in an effort to support the terms included herein on a national scale. Empire will provide supplemental responses to applicable questions specific to the manner in which Empire will be specifically supporting the contract for the City of Tucson. From a national standpoint, Empire's supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in territories other than those serviced by Empire Machinery

#### 2) Distribution Network

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

##### Caterpillar Response (only)

-Confidential-

Caterpillar products (equipment, accessories, parts, repair and services) are sold and supported through Caterpillar's authorized Dealer network. These Dealers are established, independent businesses that understand the needs of their local

customers and communities. Across North America, the majority of Caterpillar Dealers have supported the needs of their local customers and communities for decades.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than \$400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Caterpillar maintains 10 parts distribution warehouses throughout North America to ensure that almost all parts can reach our dealers within 24-48 hours. In addition to the Caterpillar owned parts inventory, Cat dealers collectively stock over \$1 Billion in protective parts inventory to minimize downtime for their customers. Currently the national average for 24-hour parts availability is at a 99% fill rate.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability.

Please refer to subsection d below which expands on some of these capabilities.

- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

**Caterpillar Response** (only)

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

- c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

**Caterpillar Response** (only)

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium;



Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

<b>CONSTRUCTION INDUSTRIES</b>	
<b>U.S. Facilities</b>	<b>Facilities Outside the U.S.</b>
<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagami-hara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong
<b>RESOURCE INDUSTRIES</b>	
<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet <b>North Carolina:</b> Winston-Salem <b>Pennsylvania:</b> Houston <b>South Carolina:</b> Sumter <b>Tennessee:</b> Dyersburg <b>Texas:</b> Dennison <b>Wisconsin:</b> South Milwaukee	<b>Australia:</b> Beresfield, Burnie <b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou <b>Czech Republic:</b> Ostrava <b>France:</b> Arras <b>Germany:</b> Dortmund, Lunen <b>India:</b> Hosur, Thiruvallur <b>Indonesia:</b> Batam <b>Italy:</b> Jesi <b>Japan:</b> Sagami-hara <b>Mexico:</b> Acuña, Monterrey, Reynosa, Tlaxiaco <b>Russia:</b> Tosno <b>Thailand:</b> Rayong <b>United Kingdom:</b> Peterlee
<b>ENERGY &amp; TRANSPORTATION</b>	
<b>Alabama:</b> Albertville, Montgomery <b>California:</b> San Diego <b>Georgia:</b> Griffin <b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac <b>Indiana:</b> Lafayette, Muncie <b>Kentucky:</b> Decoursey, Louisville, Mayfield <b>South Carolina:</b> Newberry <b>Texas:</b> Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Australia:</b> Revesby <b>Belgium:</b> Gosselies <b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas <b>China:</b> Tianjin, Wuxi <b>Czech Republic:</b> Zatec <b>Germany:</b> Kiel, Mannheim, Rostock <b>India:</b> Hosur, Aurangabad <b>Mexico:</b> San Luis Potosi, Tijuana <b>Republic of Singapore:</b> Singapore <b>Sweden:</b> Ockerö Islands <b>Switzerland:</b> Riazzino <b>United Kingdom:</b> Larnie, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled \$9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

**Caterpillar Response** (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories.

Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

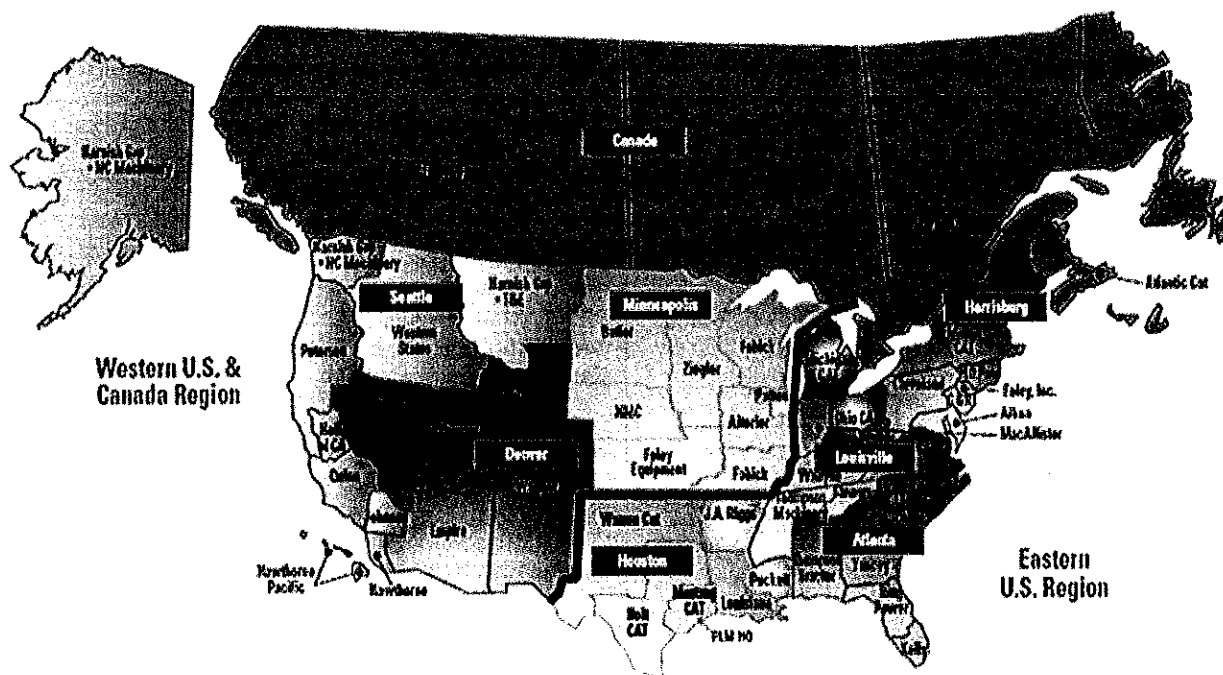


Image 1: North American Dealer Network

3) Product

- a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

**Caterpillar Response**

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors - Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

**Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

**Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/branded lines of equipment offered by Cat dealers for purchase under this contract.

**Dealer Response**

Empire Machinery represents the full line of Caterpillar equipment as described in Caterpillar's response. Cat Dealers also carry complementary products, that are non-CAT manufactured, that are available in this bid for purchase. These products are referred to as "Allied" products. Please see section 3) under Product, subsection 2. Identification and description of sub categories for a current list of Allied products.

2. Identification and description of sub categories.

**Caterpillar Response**

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

[http://www.cat.com/en\\_US/products/new/equipment.html](http://www.cat.com/en_US/products/new/equipment.html)

**Recycling and Waste**

Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

[http://www.cat.com/en\\_US/products/new/by-industry/waste.html](http://www.cat.com/en_US/products/new/by-industry/waste.html)

### **Construction Equipment**

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development. This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/construction.html](http://www.cat.com/en_US/products/new/by-industry/construction.html)

### **Technology & Solutions**

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

[http://www.cat.com/en\\_US/support/operations/technology.html](http://www.cat.com/en_US/support/operations/technology.html)

### **Paving**

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/paving.html](http://www.cat.com/en_US/products/new/by-industry/paving.html)

### **Work Tools**

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/attachments.html](http://www.cat.com/en_US/products/new/attachments.html)

### **Other/Miscellaneous/Allied**

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed

in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

### Dealer Response

All Caterpillar Dealers, including Empire Machinery, represent the full line of products that Caterpillar describes in their response.

Caterpillar offers the largest number of individual models in the construction and governmental industry, as the table below illustrates. With 239 different models, Caterpillar offers more than 159 machine options than their closest competitor. No matter what the need is, big or small, Caterpillar offers more machine options/configurations to help our customers optimize each machine to customer's specific application in order to help achieve maximum utilization.

Number of unique machines by Manufacturer (Excludes Mining Products)	Caterpillar	John Deere	Komatsu	Volvo	Case	Bobcat
Wheel Loaders	20	15	8	13	12	5
Motorgraders	6	3	1	0	3	0
Dozers	11	7	7	0	6	0
Excavators (not including mining)	38	22	11	21	9	10
Articulated Trucks	6	5	2	5	0	0
Backhoe Loaders	5	4	3	2	2	0
Skid Steer/Compact Track Loader/MultiTerrain Loader	30	12	0	11	10	24
Skip Loaders (Industrial Class)	1	1	0	0	1	0
Landfill Compactors	3	0	0	0	0	0
Landfill Dozers	6	1	3	0	3	0
Forest Machines – Governmental Class	12	7	7	7	2	0
Scrap/Demo Material Handlers	7	0	1	0	0	0
Off Highway Trucks – Governmental Class	4	0	2	0	0	0
Asphalt Rollers – Governmental Class	23	0	0	7	10	0
Asphalt Pavers	8	0	0	6	0	0
Dirt Rollers and Compactors	28	0	0	5	4	0
Cold Planers	5	0	0	0	0	0
Reclaimers/Soil Stabilizers	3	0	0	0	0	0
Telehandlers/Forward Reach Fork Lifts	8	0	0	0	0	0
Wheel Dozers – Governmental Class	2	0	0	0	0	0
Wheeled Excavators	8	0	0	3	0	0
Wheel Tractor Scrapers	5	0	0	0	0	0
<b>Breadth of Caterpillar machines covering Governmental Market</b>	<b>239</b>	<b>77</b>	<b>45</b>	<b>80</b>	<b>62</b>	<b>39</b>

For the City of Tucson and the extended Empire Machinery dealer territory, Empire Machinery offers a line of equipment and work tools that Caterpillar doesn't market or manufacture. These products are commonly referred to in the industry as "Allied Products".

Empire Machinery, as well as the other CAT Dealers across North America, carry a wide variety of Allied products to complement the Caterpillar line as well as fill the gaps of the equipment needs of our customers in all industries.

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this additional offering provides a relative model for similar products and or services that can be offered by from other Cat Dealers across the country.

The "Allied" products that are included, but not limited to, in this RFP are:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

- Identify accessories, parts, services, etc. that are available through the manufacturer.

**Caterpillar Response** (only)

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.



In North America alone, Cat dealers inventory over \$1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

**Caterpillar Response**

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

### **Dealer Response**

Empire's 22 locations in Arizona, with three of those locations positioned in close proximity to the City of Tucson locations, are unmatched by any competitor.

#### **Empire Exclusives:**

- Family owned, locally managed by Arizonans who live in Arizona
- Over 1,600 dedicated, tenured and committed employees
- 239 different Caterpillar machine models (governmental) with exhaustive configuration options for each, allowing the City of Tucson to optimize the machine for the application
- Prime and standby power generators
- On-road trucks and trailers
- 36 Allied products that enhance production or reduce time on the job
- Over 540 trained service technicians
- Over 300 field service trucks
- 172 service bays
- Broadest warranty coverage, covering more parts than any competitor in the industry
- Warranty decisions made locally by Empire, not factory representatives
- \$93 million in parts inventory
- 161,824 parts line items in stock
- 93.5% parts fill rate over-the-counter anywhere in the State
- 96.24% parts fill rate within 24 hours, anywhere in the State
- 98.3% parts fill rate within 48 hours, anywhere in the State
- 94.97% over-the-counter parts availability in Mesa
- 99.9% parts filled within seven business days, anywhere in the State
- Over 1,800 prime units and 3,000 attachments in our Rental fleets
- Professional, full-time, Caterpillar Certified Operator and Technical Trainers, along with dedicated facilities
- 60 heavy haul transport trucks
- Dedicated Consignment Department to help maximize returns on equipment disposal

Empire alone has more resources than all of our competitors combined. We firmly believe Empire is the only supplier in Arizona uniquely and exclusively qualified to provide the City of Tucson with the lowest Life Cycle Cost/Lowest Cost per Operating Hour.

Empire also offers a worldwide consignment service that has an 89% success rate, with an average days-on-market of 90 days. The majority of the remaining 11% of consignments that do not fall into the "success rate" are made up of machines that the consignor put back to work or non-typical machines such as pavers, curb machines and similar niche products that require a longer marketing time. When you consider historical methods of disposing of older and/or unused machines, this is a good option to consider.

Empire will consign **any brand of equipment** that falls into the scope of machines offered in our proposal. The consignment rate to the City of Tucson will be 9% of the actual transaction price.

For the fee, Empire will be responsible for all aspects of marketing, writing the advertising, advertising worldwide on the internet and, in print where appropriate. We will promote locally in our territory and manage all leads for the agreed upon consignment period. Empire will also be responsible for invoicing and collecting the payment from the buyer. Empire will pay seller within 48 hours of payment (typically less than 24 hours).

We have five dedicated international salesmen, plus 26 in-territory salesmen that actively and aggressively sell our consignment machines. Our consignment program has been a significant portion of our business for over nine years. Disposing of equipment via Empire Consignment realizes an estimated 10%-15% higher net return over a typical disposal using an auction service.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

**Caterpillar Response**

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: [www.cat.com](http://www.cat.com)

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Please see the list of website links that Empire has provided for the accessories, parts, and supplies offered:

<b>Manufacturer and Dealer</b>	<b>Website</b>
Caterpillar	<a href="http://www.cat.com">www.cat.com</a>
Empire Southwest	<a href="http://www.empire-cat.com">www.empire-cat.com</a>
North America Caterpillar Dealers	<a href="http://www.cat.com/en_US/support/dealer-locator.html">http://www.cat.com/en_US/support/dealer-locator.html</a>
<b>Construction and Mining</b>	<b>Website</b>
Allmand (Light Towers)	<a href="http://www.allmand.com">www.allmand.com</a>
Broce Brooms	<a href="http://www.brocebroom.com">www.brocebroom.com</a>
JLG (Man lifts)	<a href="http://www.jlg.com">www.jlg.com</a>
Mega (Water tanks, Towers and Trailers)	<a href="http://www.megacorpinc.com">www.megacorpinc.com</a>
Genie (Man lifts and Telehandlers)	<a href="http://www.genielift.com">www.genielift.com</a>
Progressive Solar (Solar Power Light Plants)	<a href="http://www.progressivesolarsolutions.com">www.progressivesolarsolutions.com</a>
Multiquip Power	<a href="http://www.multiquip.com">www.multiquip.com</a>
Sullair Air Compressors	<a href="http://www.sullair.com">www.sullair.com</a>
Rockland (Buckets and Dozer Blades)	<a href="http://www.rocklandmfg.com">www.rocklandmfg.com</a>
Paladin (Couplers and Attachments)	<a href="http://www.paladin.com">www.paladin.com</a>
CE Attachments (Attachments)	<a href="http://www.ceattachments.com">www.ceattachments.com</a>
Dymax (Attachments)	<a href="http://www.dymaxinc.com">www.dymaxinc.com</a>
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	<a href="http://www.weilerproducts.com">www.weilerproducts.com</a>
Wain-Roy	<a href="http://www.woodsequipment.com">www.woodsequipment.com</a>
<b>Agriculture</b>	<b>Website</b>
Challenger Tractors	<a href="http://www.challenger-ag.com">www.challenger-ag.com</a>
Massey Ferguson Tractors	<a href="http://www.masseyferguson.com">www.masseyferguson.com</a>
Rome (Construction Grade Discs & Plows)	<a href="http://www.romeplow.com">www.romeplow.com</a>
Woods (Scrapers and Mowers)	<a href="http://www.woodsequipment.com">www.woodsequipment.com</a>
Gearmore (Attachments)	<a href="http://www.gearmore.com">www.gearmore.com</a>
Reynolds (Scrapers)	<a href="http://www.reynoldsinternational.com">www.reynoldsinternational.com</a>
TG Schmeiser (Box blades, land levelers)	<a href="http://www.tgschmeiser.com">www.tgschmeiser.com</a>
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	<a href="http://www.wilcoxap.com">www.wilcoxap.com</a>
<b>On Road Industrial</b>	<b>Website</b>
Fuso Trucks	<a href="http://www.mitfuso.com">www.mitfuso.com</a>
Mac Trailers	<a href="http://www.mactrailers.com">www.mactrailers.com</a>
Maintainer (Service Bodies)	<a href="http://www.maintainer.com">www.maintainer.com</a>
Murray Trailers (Heavy Haul)	<a href="http://www.murrytrailer.com">www.murrytrailer.com</a>
Trail King (Small to Heavy Haul)	<a href="http://www.trailking.com/trailers">www.trailking.com/trailers</a>
UTB (Service Bodies)	<a href="http://www.unitedtruckbodies.com">www.unitedtruckbodies.com</a>
Fleming Trailers	<a href="http://www.flemingtrailers.com">www.flemingtrailers.com</a>
<b>Technology</b>	<b>Website</b>
Spectra Precision (Survey Instruments)	<a href="http://www.spectraprecision.com">www.spectraprecision.com</a>
Trimble (2D and 3D Grading Systems)	<a href="http://www.trimble.com">www.trimble.com</a>
Accugrade (Caterpillar Grade Control)	<a href="http://www.Caterpillar.com/en">www.Caterpillar.com/en</a>
Seco (Surveying and Site Prep)	<a href="http://www.surveying.com">www.surveying.com</a>
Laserline (Laser Controls)	<a href="http://www.laserlinemfg.com">www.laserlinemfg.com</a>
Apache (Grade Control, GPS and Lasers)	<a href="http://www.apache-laser.com">www.apache-laser.com</a>
Level Best (Laser Grading Box)	<a href="http://www.level-best.com">www.level-best.com</a>

6. Do you offer color choices for each product listed?

**Caterpillar Response (only)**

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

- b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

<u>140M3 Motor Grader</u>	<u>Months</u>	<u>Hours</u>
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

## **Dealer Response**

### **Empire/Caterpillar Warranty Offerings:**

Caterpillar offers a wide range of warranties that can be custom built to best match the needs of our customers. There are two (2) basic Caterpillar warranties available: Standard and Extended

- **Caterpillar Standard Warranty** - All new Caterpillar manufactured machines come with Caterpillar's "Premier" warranty for 12 months, with unlimited hours, at no additional cost to the buyer. (See warranty details below under "Caterpillar Extended Warranty".)
- **Caterpillar Extended Warranty** - Begins at expiration of Standard Warranty. Caterpillar Insurance and Caterpillar dealers provide a vast array of optional warranties that can be customized by the length of time (from 2 - 7 years) and/or by the hours (2,000 - 10,000 hours).

There are three (3) types of extended warranties available from Caterpillar:

- **Powertrain Only** - Covers the components that are used to either produce, transmit or control engine horsepower for propelling (moving) the machine; such as engine, transmission, final drives, axles, and brakes.
- **Powertrain and Hydraulics** - Covers all the items above plus hydraulic hoses, lines, pumps, valves, cylinders, hydraulic coolers, and hydraulic filter mounts.
- **Premier** - Includes all of the above with the addition of starters, alternators, pulleys, AC condensers, air conditioning compressors, fuel lines, fuel tanks and associated parts, water piping, radiators, mufflers, electrical indicators, gauges, instruments, wiring harness, switches, joysticks, relays, circuit breakers, frames and chassis, and weldments.

## **General Warranty Information**

### **Coverage - Inclusions, Exclusions**

Standard machine warranty and extended warranties between manufacturers and dealers are not equal. There is no industry standard of items "to be included or excluded" in the scope of either coverage.

Repairs and/or replacement of components excluded by competitive manufacturers can present a significant expense or savings to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products, as well as ensuring the lowest total cost solution for our customers.

Warranted claims will be presented by the customers to the supporting Caterpillar Dealer and will be administered at the local level. Empire will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customers.

Caterpillar machine warranties are the most comprehensive, covering more parts, more expensive parts, and excluding fewer items, in the industry. This results in lower expense exposure to the owners of Caterpillar equipment.

In comparing major manufacturers' stated warranty coverage listed in publicly available warranty documents, here is an example of parts (including their replacement labor) that are excluded by many manufacturers, but are included by Caterpillar Standard Warranty:

- Radiators
- Mufflers
- Starters
- Alternators
- AC Condenser/Compressor
- Fuel lines
- Hydraulic hoses and lines
- Gauges
- Wiring harnesses
- Frames and structures

Each of these individual items vary between different manufacturers, but they provide evidence that a buyer should consider the coverage of each to fully understand the true scope of their exposure, and calculate that exposure into the total machine price, from an operating cost perspective.

Beyond the firm boundaries of inclusions and exclusions of warranty, Caterpillar dealers utilize a "Fair Value" policy. Fair value is simply the process and procedures that rely on ethical and reasonable decisions to participate in a repair expense beyond warranty coverage. Fair value rules are not described in any written form; they take place when a Caterpillar Dealer and end user experience an event where both feel that the failed part did not meet expected life in a given application.

Once misapplication, abuse or misuse conditions are excluded, fair value reimbursement comes in a variety of forms: From full reimbursement to a shared expense, based on remaining normal life of the failed part, between Caterpillar Inc., Empire and the customers.

Additionally, Caterpillar warranties cover consequential damages. Some major and most minor brands do not. Example: A turbo fails, injects a part from the turbo into the cylinder head, and then destroys the head and piston; piston fracture penetrates the engine block. The turbo is the root cause, but Caterpillar warranty covers the entire repair of consequential damages.

View below to see the inclusions and exclusions of each of the three types of warranties Caterpillar offers:

- ✓ Represents covered items in their respective category
- \*\* Represents items typically excluded by most other manufacturer's warranties, but are included under Caterpillar's warranty coverage.

Engine & Accessories	Powertrain	Powertrain + Hydraulics	Premier
Engine – Internal Components	✓	✓	✓
Valve Cover	✓	✓	✓
Oil Cooler BHL	✓	✓	✓
Radiator			✓
Exhaust/Muffler			✓
Manifolds	✓	✓	✓
Fan Motor	✓	✓	✓
Water Pump	✓	✓	✓
Fuel Injection Pumps	✓	✓	✓
Injectors	✓	✓	✓
Lift/Transfer Pump	✓	✓	✓
Senders/Solenoids/Sensors	✓	✓	✓
Thermostat	✓	✓	✓
Flywheel & Torque Converter	✓	✓	✓
Oil Pan Group	✓	✓	✓
Engine Oil Filter Mount **	✓	✓	✓
Turbocharger	✓	✓	✓
Pulleys **	✓	✓	✓
Starter			✓
Alternator			✓
AC Compressor/Condenser			✓
Electronic Control Modules	✓	✓	✓
Governor/Speed Controls & Linkages **	✓	✓	✓
Fuel Lines **	✓	✓	✓
Fuel Tank & Associated Parts			✓
Water Piping			✓
Oil Hoses/Lines			✓
Transmission/Hydrostatic/Driveline	Powertrain	Powertrain + Hydraulics	Premier
Transmissions	✓	✓	✓
Final Drives/Planetary	✓	✓	✓
Drive Shafts	✓	✓	✓
Transfer Case	✓	✓	✓
Wet brake assemblies	✓	✓	✓
Hydrostatic Pumps & Drive Motors **		✓	✓
Linkage/Lines Connected to Hystat Pump **		✓	✓
Drive (pilot/eh) Control Valves **	✓	✓	✓
Senders/Sensors **		✓	✓



Axles		Powertrain	Powertrain + Hydraulics	Premier
Axles		✓	✓	✓
Axle Seals	**	✓	✓	✓
Lug Nuts & Bolts	**	✓	✓	✓
Differentials		Powertrain	Powertrain + Hydraulics	Premier
Differentials		✓	✓	✓
Hydraulic Systems		Powertrain	Powertrain + Hydraulics	Premier
Hydraulic Pumps & Motors			✓	✓
Hydraulic Cylinders			✓	✓
Hydraulic Valves & Controls			✓	✓
Hydraulic Accumulators	**		✓	✓
Hydraulic Oil Coolers	**		✓	✓
Hoses and Lines	**		✓	✓
Hydraulic Quick Couplers	**		✓	✓
Hydraulic Oil Filter Mounts	**		✓	✓
Electrical		Powertrain	Powertrain + Hydraulics	Premier
Gauges/Indicators/Instruments	**			✓
Wiring harnesses	**			✓
Switches	**			✓
Frames & Linkages		Powertrain	Powertrain + Hydraulics	Premier
Chassis/Implement Frames	**			✓
Weldment	**			✓

#### **Allied Product Warranty:**

Allied products are excluded from the above terms and conditions. All Allied products will be sold with the manufacturer's standard warranty. This warranty differs from manufacturer to manufacturer. If extended warranty is available and the City of Tucson requests extended options from an Allied manufacturer, Empire will provide the price on a case by case basis.

#### **2. description of your warranty claims procedures.**

##### **Caterpillar Response**

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

Empire Service utilizes a highly structured, fact based and scientific Root Cause Failure Analysis process that is followed by Empire's Service Department. The process ensures the customer that Empire and Caterpillar fully understand the cause, and what role each affected part played in the failure, in order to help prevent it in the future.

The warranty process for Caterpillar machines is unique to the industry, allowing Empire to decide through its due diligence alone, if the failed part is covered under the scope of warranty. In the event of a warranty repair, Empire is responsible for repairing the machine. Once the repair is completed, the warranted parts and labor is charged to Caterpillar.

Any non-warranty covered items (such as oil antifreeze; fluids that cannot be reused) will be the responsibility of the owner. In the event that Caterpillar concludes a different root cause and believes it was caused by misapplication or misuse and rejects reimbursement, and Empire does not, Empire will absorb the expense.

3. description of your policy addressing warranty issues related to:
  - i. Major Component Failures
  - ii. Engineering Deficiencies
  - iii. Describe your firm's standard response time to address warranty failure issues.

#### **Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering

Deficiencies, and Empire Machinery's standard response time to address warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

As America's #1 dealer rebuild center, Empire inventories new complete components, along with remanufactured components, for replacement when a machine is down and the customer requires an emergency complete component replacement. Beyond Empire's extensive parts inventory, Caterpillar parts distribution warehouses across America and the globe also inventory an extensive selection of new components and remanufactured components.

Excluding emergency complete component replacement, Empire will bring to bear as many resources as possible to tear down and reassemble the down component, to return the machine to production as fast as humanly possible. This includes our staff working three shifts and/or weekends continuously or "around the clock" to achieve the turnaround if warranted. Normal warranty coverage will only cover normal (non-overtime) shop labor rates, during normal service hours. Normal service hours are from 5:00 a.m. to 12:00 midnight, Monday-Friday and from 6:00 a.m. until 12:00 noon on Saturdays.

Overtime rate is charged for all hours worked on holidays. No other competitor that we are aware of provides this expanse of available normal service hours. When requested, Empire will work overtime with the incremental overtime fee charged to the City of Tucson. Normal warranty coverage only includes shop labor rates during normal business hours and thus could result in overtime charges to the customer. Additionally, parts that are not normally stocked may include a customer charge for additional freight or handling, depending on circumstances.

Engineering Deficiencies: Empire and our customers benefit from a long relationship with Caterpillar Engineering for new machines and product improvement testing. Because of our unique Arizona/Imperial County, California and territory, Caterpillar engineers prefer to test new machines and product improvements in Empire's territory because of the range and access to high ambient temperature, high altitude, sea level altitude, abrasive dust, hard caliche and granites soil and sand (dune) conditions. Our applications range from farming to forestry harvesting, to hard rock mining.

This multi-decade experience has provided Empire staff with a wealth of knowledge, experience, relationships and access to Caterpillar's engineering staff around the world. It has provided our customers with purpose-built machines and components tested here to perform here. This experience helps our staff identify a deficiency, quickly begin to test our possible solution, and offer it to Caterpillar; or fabricate, install and test Caterpillar's solutions.

Empire's standard response times are based on the fact that our customer purchases a new machine because unscheduled downtime creates critical disruption to their production. Most customers expect that we will handle every machine-down warranty event like an emergency. We are "built for it". Empire invests and maintains the staffing capacity to provide

customers two shifts per day, plus single shift on weekends and on-call staff for holidays to respond to these events with the utmost urgency.

Beyond this, a failure on Empire's part to deliver expected or promised service is always taken into account before any request for additional charges are presented to a customer. We take pride in the fact that Empire's owners expect all employees to consider first how we may have contributed to increasing a customer's expense or downtime. We are empowered, at all levels, to make ethical and fair charge adjustments before approaching a customer about additional expense to warranty coverage.

- c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

**Caterpillar Response**

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

For all support related to this contract, please contact:

Clinton Swapp	Ty Robertson
Sales Account Manager	Product Support Sales Representative
7600 S. Nogales Hwy.	7600 S. Nogales Hwy.
Tucson, AZ 85756	Tucson, AZ 85756
Office: 520-746-8213	Office: 520-746-8226
Cell: 520-240-8213	Cell: 520-269-1171
Email: Clinton.Swapp@empire-cat.com	Email: Ty.Robertson@empire-cat.com

- d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

**Caterpillar Response**

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs

associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

With over 360 different Caterpillar products covered in this solicitation, and with over 65 different options for each of those machines with time and hour combinations, the matrix of extended warranty pricing would be too large to provide in this format.

Additionally, because of the competitive exposure, we are not at liberty to provide for public record, all of Caterpillar Insurance Extended Warranty pricing. For this proposal, we will provide requested rates on a model-by-model, term and hour specified basis.

- e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

#### **Caterpillar Response**

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

Empire's technical resource group (similar to all Caterpillar dealers) has been engaged with Caterpillar engineers throughout the development of Tier 1, Tier 2, Tier 3, Tier 4i and Tier 4 Final since the Federal regulations were implemented.

Empire's (and our customers') ongoing participation of Caterpillar "Field Follow" program of prototype machines operated by customers in our territory, provides Empire both a first look and a wealth of experience in service support before production machines are ever produced for sale or delivered to a customer. Additionally, Caterpillar offers remanufactured exchange filters and Empire stocks them.

As of this submittal, it is becoming more apparent that exchange emission filters available from our parts department are faster, safer, more environmentally responsible and more economical for the customer than the other option of maintaining a DPF cleaning machine at our dealership stores. For redundant support, Empire owns and operates a DPF cleaning machine in our Phoenix store in the event of an unexpected supply disruption from Caterpillar.

Along with the above service capacity, Empire provides on-line information, updated regularly, for the City of Tucson managers, supervisors and operators to help them understand how the technology works. Tips and warnings are constantly updated to help our customers stay informed and reduce the risk of emissions solutions damage. Empire requires continuing education for our Sales and Product Support staff as an incremental resource that helps customers stay informed. Our operator trainer staff is always available to our customers for on-the-job operator education of the technology.

- f. Submit all information that will aid the City in evaluating your proposal

**Caterpillar Response** (only)

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

<http://www.caterpillar.com/en/company/sustainability.html>

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

*INTENTIONALLY LEFT BLANK*

Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html)

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html)

[http://www.cat.com/en\\_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html](http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html)

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations



- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the “Top 50 Employers” list in Women Engineer Magazine
- Caterpillar Named One of Fortune’s World’s Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand’s 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc’s Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina’s Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE’s World’s Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine’s list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the “Top 50 Employers” list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council
- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor’s Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World’s Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72<sup>nd</sup> out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19<sup>th</sup> Annual “Top 50 Employers” list in Women Engineer magazine

4) Service

- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

**Caterpillar Response** (only)

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

**Caterpillar Response**

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing

requirements. As a commitment to servicing our customers, Cat dealers invest over \$75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.



Image 2: US Dealer Locations

#### **Dealer Response**

All 22 Empire stores are capable of warranty service and have trained technicians to support warranty.

For very large components, some remote branch stores may not have the heavy lifting infrastructure or highly specialized machining tools to complete every job. Those components may be shipped to the closest Empire facility that can complete the work. All such transportation will be handled by Empire internally.

EMPIRE LOCATIONS	TELEPHONE	ADDRESS	
Apache Junction	480-308-9100	3215 S. Winchester Rd.	85119
Blythe	760-921-9500	190 S. Intake Blvd.	92225
Buckeye	623-925-3020	26403 MC 85 Buckeye	85326
Buckeye	623-474-0840	25630 W. Durango St.	85326
Casa Grande	520-374-3500	8901 W. Highway 287	85194
Deer Valley	623-760-1100	21230 N. Black Canyon Hwy., Phoenix	85027
Eloy	520-582-2900	3501 W. Houser Rd.	85131
Flagstaff	928-526-2800	4900 E. Empire Ave.	86004
Globe	928-402-6410	190 W. Ash St.	85501
Imperial	760-355-2443	3393 Highway 86	92251
Kingman	928-757-1159	3255 E. Rutherford Dr.	86409
Mesa	480-633-4000	1725 S. Country Club Dr.	85210
Mesa	480-633-4421	256 W. Juanita Ave.	85210
Nogales	520-287-6630	350 N. Mariposa Rd.	85621
Peoria	632-707-1700	9802 N. 91 <sup>st</sup> Ave.	85345
Phoenix	602-333-5600	801 N. 44 <sup>th</sup> Ave.	85009
Phoenix	602-627-5700	840 N. 43 <sup>rd</sup> Ave., Phoenix	85009
Prescott	928-499-6001	3060 Centerpointe East Dr.	86301
Safford	928-387-8700	444 W. Old Country Club Rd.	85546
Show Low	928-532-2098	1501 E. Thornton St.	85901
Tucson	520-746-8200	7600 S. Nogales Hwy	85756
Tucson	520-407-3100	3830 N. Highway Dr.	85705
Yuma	928-317-7800	3885 E. Gila Ridge Rd.	85365

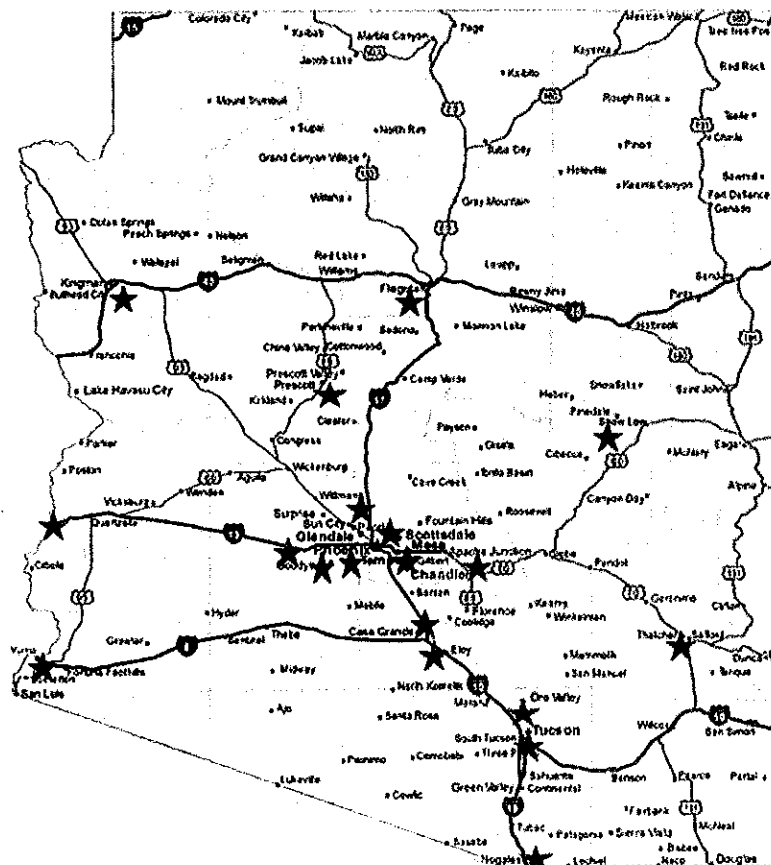


Image: Empire locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

**Caterpillar Response**

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

As described in Caterpillar's response, Empire and other CAT Dealers can customize maintenance programs to fit the specific needs of our customers.

The pricing for maintenance services explained below can vary based on the model, hours of usage, and duration of agreement, and can be quoted on an individual basis.

The following are some examples of the different maintenance agreements that are available:

- **PM (Preventative Maintenance) Services**

PM services are broken into five (5) categories and follow the manufacturer's service recommendations, or can be customized to meet customers' needs.

- PM1 – Services the manufacturer recommends at 250 hours
- PM2 – Services the manufacturer recommends at 500 hours
- PM3 – Services the manufacturer recommends at 1,000 hours
- PM4 – Services the manufacturer recommends at 2,000 hours
- PM5 – Services the manufacturer recommends at 4,000 hours

Empire and participating dealers can offer different options for these hour intervals including:

- Parts only agreements
- Parts and fluids only agreements
- Parts, fluids, and labor agreements

Please see generalized chart below for the services performed at each PM interval.

	PM1	PM2	PM3	PM4	PM5
	250 hours	500 hours	1000 hours	2000 hours	4000 hours
Change Engine Oil, Engine Oil Filters and take engine oil sample	X	X	X	X	X
Speed Reducer Oil Gets Changed and Sampled (On Elevator Scrapers)	X	X	X	X	X
Check all fluids levels such as Transmissions, Differentials, Tandems, Hydraulic, Steering, Coolant.	X	X	X	X	X
Change fuel filters and fuel /water separators, clean fuel bowl screen (replace if necessary)	X	X	X	X	X
Change Primary Air Filters	X	X	X	X	X
Check Coolant Condition - Freeze point	X	X	X	X	X
Perform and record a visual walk around of equipment as per OEM including but not limited to Back up alarm, tires, batteries, belts, ground engaging tools (cutting edges, bucket teeth, dozer blade, Moe board, buckets, bowl (cen), ripper shanks)	X	X	X	X	X
Change cab A/C filters	X	X	X	X	X
Lubricate all grease points	X	X	X	X	X
Inspect and test all visible and safety systems	X	X	X	X	X
Change all filters this includes hydraulic filters, transmission filters, differentials filters if applicable		X	X	X	X
Change rear differential oil (Backhoe Loaders only on A-D Models)		X	X	X	X
Change front wheel oils on off highway trucks		X	X	X	X
Change the Transmission oils, clean transmission screens and magnetic			X	X	X
Change swing drives oils on excavators, change differential and finals oils on backhoes			X	X	X
Change hydraulic oils on AG tractors, telehandlers, vibratory compactors only, change chain case oils on skid steer loaders			X	X	X
Change circle drive oil on motor graders			X	X	X
Change the differential and final oils				X	X
Change tandem oil drive oils on motor graders				X	X
Change circle drive oils on motor graders according to OEM				X	X
Change hydraulic system oil					X

• **Total Maintenance and Repair (TM&R):**

In a TM&R agreement, Empire and participating dealers will completely cover the equipment for any agreed upon repairs and preventative maintenance services for the duration of time and usage hours as specified by the agreement, based on the customers' needs.

TM&R's can be customized by the customer, including the following:

- With/without travel
- With/without scheduled component rebuilds

- Powertrain & Hydraulics
- With/without certain PM services
- With/without daily maintenance & cleanings
- With/without daily fueling

Exclusions in most cases include the following:

- Tires
- Glass
- Fuel
- GET replacement
- Components that contact the ground (bucket, blade, bed, bowl, etc.)
- Misuse and abuse
- Paint
- Any repairs due to customer not following the Original Manufacturer's Manual (OMM).

- **Man on Site Agreement:**

This type of an agreement can be offered on a stand-alone basis or in conjunction with other maintenance agreements for any customer that does not have the qualified staff/technician(s) or, is unable to add them.

Empire and participating dealers will provide a "man on site" for any duration of usage hours and time: Day, week, month, as specified by the agreement.

The technician will usually perform:

- Running repairs
- Preventative maintenance services

Other onsite services could include:

- Daily inspections
- Cleanings
- Operational checks

The "man on site" agreement includes a qualified technician, field service truck, and the tools needed to perform basic repairs.

Additional "man on site" Inclusions or exclusions in most cases include the following:

- Housing (when applicable)
- Overtime rates

- Unique equipment tooling costs: Large cranes, cribbing, certified shops, contamination control, etc.
- Percentage of guaranteed availability

- **Daily Fuel and Lube Agreement**

Empire, and participating dealers can provide daily fueling and grease to any machine at any of the City of Tucson sites, for any duration of time and/or usage hours to the specified needs of our customers.

Inclusions and exclusions in most cases include:

- With/Without daily cleanings.
- With/without daily inspections

We do not provide loaner machines. Empire will provide a down machine rental discount program (see details below).

For dealers representing any brand, contractual loaner guarantees have an incalculable financial risk. No dealer can guarantee 100% of the time that they will have a like-kind machine available and ready at any given moment.

But, this deserves more explanation:

Our highly valued relationship with the City of Tucson demands we consider loaners in certain circumstances. However, that decision must remain solely at Empire's discretion and it will be one of several possible solutions for a down machine that creates a critical hardship.

At a minimum, Empire will provide a subsidized rental machine that is either an exact match or based on the City of Tucson's input, adequately sized unit at a 50% discount from Empire's rental rate. The City of Tucson will be responsible for the normal rental wear items associated with a rental for the duration of time the down machine is under warranty.

Additionally, if a down machine is causing a hardship to the City of Tucson from a habitual issue that Empire has not yet solved, the probability is high that Empire will provide a loaner at no cost to the City of Tucson, other than wear items. But again, that decision must remain solely with Empire.

Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in Empire's territory to reduce down time and increase productivity.

Empire only employs trained, experienced technicians to support Caterpillar's full range of products. Empire Technical Communicators (TC) provide additional support to field/shop technicians to aid in rapid product or application issue resolutions. Empire TC's have a direct line of communication with Caterpillar Inc., through the Dealer Solution Network, to expedite problem solving.

Empire currently employs over 1,600 employees, of which approximately 73% are dedicated to product support. With over 22 service locations, over 170 service bays and over 290 field service trucks, these highly skilled and trained Caterpillar trained



technicians are in close proximity to provide unmatched service capabilities to meet your service requirements.

As part of a commitment to servicing customers, Empire invests nearly \$3 million annually in technician, parts counter, and product support representative training. Over the last 65 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry, through a financially healthy and viable company that is dedicated to the business of our customers.

4. Describe your training programs, addressing, at a minimum, the following:

- i. How will equipment training be conducted?
- ii. Describe the training curriculum for the equipment operators.
- iii. Describe the training curriculum for the service technicians.
- iv. How will you accommodate various work shifts?
- v. What type of documentation is provided with the proposed training?
- vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
- vii. Is the training provided by the manufacturer, dealer or both?

**Caterpillar Response**

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: [http://www.cat.com/en\\_US/support/operations/cat-training.html](http://www.cat.com/en_US/support/operations/cat-training.html)

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

- i. How will equipment training be conducted?

Empire will travel to whatever organization site the City of Tucson requests, to provide both operator and preventative maintenance training.

- ii. Describe the training curriculum for the equipment operators.

Empire offers comprehensive operator training for all Caterpillar machines by our Certified Dealer Instructors (CDI). CDI's are dedicated full time to this process. CDI's are Caterpillar Certified on various applications for individual machine groups. Empire does not depend on a service technician or machine

salesman to provide this critical task. CDI's begin the ownership experience by providing customers the most thorough "in-service" training and orientation in the industry. This service is provided at delivery of ALL new Caterpillar machines.

The operator training includes complete machine walk-around inspections, discussion regarding daily maintenance/checklists and hands-on operational instruction, along with comprehensive coverage of the Operations & Maintenance Manual. Proper operator understanding is a significant advantage to help reduce the operating cost per hour of the machine life cycle.

The orientation will cover the following:

- Coverage of the Operation and Maintenance Manual
- Hands on demonstration of all wet and dry fluid and filter locations and compartments
- All safety decals and their meaning along with examples of incidents
- All machine controls, functions, features
- Live demonstration (where site allows) of machine reaction to control inputs
- Review common operator misuse or abuse habits and resulting damages (i.e. damaging parking brakes)

Additionally, our Operator Training Department permanently staffs a Training Manager with seven Certified Dealer Instructors traveling throughout Arizona, performing new machine delivery training, certified training and refresher courses along with analyzing production improvements for in-specific applications when requested.

Empire provides this for both public and private customers, for an additional charge, when requested.

iii. Describe the training curriculum for the service technicians.

Our service delivery training begins with Safety. Our instructor will cover all the safety decals and their explanation of why, as it's described in the Operation & Maintenance Manual. The following is an outline and agenda for a training session.

Safety: All decals and what they mean along with examples of past events.

Pretest: Caterpillar Safety Test must be passed by all attendees before continuing.

1. Equipment Familiarization
  - a. Walk around inspection
  - b. Daily service points/lubrication
  - c. Cab and controls
  - d. Fundamental techniques
2. Start Up/Shut Down
3. Machine Operation
4. Systems Overview
  - a. Operator's station

- b. Engine
  - c. Electrical system
  - d. Power train
  - e. Implement and steering hydraulic systems
  - f. Auxiliary hydraulic lines
  - g. Thumbs
  - h. Buckets
  - i. Couplers
- 5. Post Test
  - 6. Review Maintenance Section of Operation and Maintenance Manual
    - a. Lubricants and fluids
    - b. Towing
    - c. Review PM checklist and procedures
      - 250 Hour
      - 500 Hour
      - 1000 Hour
      - 2000 Hour

In addition to our Service delivery process, Empire offers a dedicated facility and dedicated full time staff in our Training Institute:

The Empire Training Institute (ETI) is one of five Caterpillar Certified Regional Dealer Learning Centers in North America, and one of just three Caterpillar Certified Applied Failure Analysis training facilities. ETI provides both technical and non-technical training programs for Empire employees, customers and other Caterpillar dealers via instructor-led and web-based training courses.

ETI is a dedicated 36,000 square-foot facility with eight fully equipped classrooms and over 10,000 square feet of shop space. Our experienced staff includes eight Caterpillar certified technical instructors, one soft skills instructor and one safety instructor.

Classes can be scheduled and conducted at the Empire Training Institute facility at Empire's Mesa campus or at customer sites. All training courses utilize "pre and post" testing procedures to measure learning and monitor growth, and students are presented with a certificate upon successful completion.

Training topics include, but are not limited to:

- Safety
- Diesel
- Electrical
- Engines
- Applied Failure Analysis I, II and III
- Hydraulics
- Machinery & Equipment
- MSHA for Experienced Miners
- Powertrain
- Preventative Maintenance
- Air Conditioning for EPA Certification

iv. How will you accommodate various work shifts?

Empire will provide training and accommodate any shift the City of Tucson requires.

v. What type of documentation is provided with the proposed training?

Caterpillar's Delivery Service Record provides a check list that our CDI's follow at machine delivery orientation. Signatures on the form require a City of Tucson representative to confirm the list was reviewed and completed.

vi. Is a "train the trainer" program available?

Yes

Is this training different than the regular initial training?

Yes, the training curriculum is focused on the trainer and how to communicate proper techniques and safety, and why it's important. Initial training is focused on the student.

Can training sessions be recorded for future use by the agency?

Caterpillar does not permit recording, copying or transferring any of copyrighted material, either at our Operator Training Academy or customer sites. Empire maintains Caterpillar's proprietary information and copyright policies.

vii. Is the training provided by the manufacturer, dealer or both?

Both manufacturer and dealer can provide training.

5) Ordering and Invoices

a. Describe your order process.

**Caterpillar Response**

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Machine invoices will be generated after receipt of a City of Tucson purchase order at Empire.

The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order

- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from Empire to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice.

Terms of our invoices are available at: [www.empire-cat.com/sales serviceterms](http://www.empire-cat.com/sales serviceterms)

- b. How do agencies work with your firm to determine appropriate equipment needs?

**Caterpillar Response**

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Initial contact will begin with our Sales Account Manager. A dealer Account Manager has extensive knowledge and experience in machine and attachment applications can assist the City of Tucson personnel in determining the best options.

Beyond this, the Account Manager will help the City of Tucson staff build a cost/benefit analysis to help illustrate why one machine or attachment was selected over other options. If the Account Manager believes the application question needs additional expertise, he is highly proficient at navigating Empire and supplier resources and bringing their expertise to bear.

Caterpillar has several software resources to help calculate cost per hour and cost per ton of machines, such as FPC or VET, to help users select the best machines, configurations and attachments. The Account Manager will utilize these resources to help the City of Tucson analyze options.

Additionally, if the Account Manager is asked to help research the best machine for an application and he believes that our offering is not optimum, and knows a competitive product or supplier that would be, he will explain why and help coordinate contact with the supplier, if requested by the City of Tucson. We recognize that not all of our offerings are the best and most economical fit for some applications and will readily explain so when we are asked to be part of the best solution analysis.

- c. Describe the equipment delivery process and your delivery commitment.

**Caterpillar Response**

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Most products can be sourced from Empire's extensive inventory. Our configurations are based on the optimum feature utilization and most effective cost per hour in Empire's territory. In the past, most City of Tucson units have been custom ordered because of minor configuration differences. We feel that the City of Tucson will benefit from most of the configurations we stock. This benefit is in terms of: Time of delivery, higher potential productivity, and potentially lower operating costs.

In the event we need to order a machine, the manufacturer will provide Empire a "Ready to Ship" (RTS) date. Empire will estimate additional days based on subjective experience with that manufacturer's history of accurate RTS dates. Empire will also add expected freight time. Since there are various events beyond our control such as severe weather, strikes, or U.S. Custom holds at docks, a small percentage of our given delivery times can and do extend. Empire will alert the City of Tucson immediately if we believe a committed delivery date will extend and work out a solution if the need is urgent.

- d. What is your standard equipment delivery timeframes?

**Caterpillar Response**

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

If Empire's configuration is acceptable and we can supply from inventory, we can usually deliver in less than seven calendar days. If it is urgent, we will work nights and weekends to supply a unit sooner. A significant percentage of our deliveries happen in less than three working days from receipt of firm order.

The next source for machine availability is CAT's Product Distribution Centers (PDC). PDC's have their own configurations, but most are very close to the Empire configuration. If a machine from this source has acceptable configurations to the City of Tucson's request, these machines will usually ship within 7 days and arrive at Empire within 14 days.

Additionally, Empire works with nearly every CAT dealer in the United States for trading inventory. We have an excellent reputation of helping other CAT dealers

secure units from our existing inventory and our "on order" inventory. In other words, we give more than we take. These outstanding "chits" help us secure earlier delivery several times a year and can usually arrive within 10 days.

If a unit must be factory ordered, we have no standard delivery time frames. Caterpillar claims 65%+ of their units will be "Ready to Ship" within 12-16 weeks. Allied manufacturers have too many variables to provide relevant estimates here. If Empire is awarded this contract, they will be quoted as needed.

- e. How does your firm communicate order cut off dates to your customers?

**Caterpillar Response**

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

For machines and attachments, the Empire Account Manager, will provide the City of Tucson with RTS estimates upon request.

**Parts – Hours of Operation**

When parts are needed, Empire has been the trusted and tested source to provide them, regardless of the time of day. In a crisis or emergency, Empire has the infrastructure and people in place to provide the parts that others cannot.

- Parts are available 24 hours/7 days a week/365 days a year
- Standard business hours for Empire's Parts Stores are:

Monday – Friday from 7:00 a.m. – 5:00 p.m.

After hours/emergency parts service is available by calling a store's main number. (Provided in section 4, subsection 2 under "Dealer Response") This service is available anytime outside standard business hours. When a call is placed, an Empire parts representative will respond, locate the parts needed, and arrange to meet at the store for pick up.

- f. Identify and describe any exceptions or challenges.

**Caterpillar Response**

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Historically, Empire's most common challenges in delivery of machines have been due to severe winter weather in the mid-west and U.S. Customs holds for freight shipments at U.S. shipping ports.

With regard to parts, Caterpillar/Empire has experienced challenges when suppliers to Caterpillar of a sub component part fails on hundreds of machines in a short time. A cascade of challenges begin at that point. Usually the manufacturer's parts supply is depleted and because of the unanticipated demand, the supplier cannot ramp up production of the correct part in the normal time most Caterpillar owners have come to expect.

Throughout our 65 year history, we have faced a number of these challenges. Customers want answers. Depending on the severity, it can take a few days to diagnose the root cause before we can begin to respond to repair affected machines.

Because of Arizona's unique geography, high elevations, hard material, and high ambient temperatures, many machine failures can show up in Arizona before the rest of the world experiences them. These events have taught us to maintain a hyper awareness of developing issues. Empire is usually the lead dealer to discover the issue and help Caterpillar (and other dealers) with the solution. These events help our staff stay highly vigilant in providing early identification and developing solutions for our customers.

- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

**Caterpillar Response**

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Empire's website does not provide any machine pricing for this contract. Our website does provide pricing for used machinery and used parts.

Empire Parts store is an online service that allows you to order parts from your computer. Some of the benefits are:

- Order parts anytime 24 hours/7 days a week/365 days a year
- Ability to track your part orders
- Electronic parts book for ALL Caterpillar machines
- Frequent order lists
- Shows available exchange/remanufactured options
- Track outstanding core returns for credits due
- Purchase history



Additional options available from [www.empire-cat.com](http://www.empire-cat.com) are:

- Equipment Management
  - On-Line Fluids Lab (Oil Sample Reports)
    - Track History for each component or machine
    - Custom graphing/charting trends
    - View Empire recommendations
- Vision Link-Vital Machine Operating Information (For machines equipped with Product Link, see below for Product Link details)
  - Asset Utilization
    - Hours
    - Fuel
    - Operation
  - Current Location (Google Maps)
  - Health Watch
    - Fault Codes
    - Fluid Analysis
    - Inspections (Requires Mobile App)
  - Geo Fencing
  - PM Maintenance Tracking
  - Production Tracking (requires additional accessories)
    - Pay Load monitoring
    - Project monitoring
    - Mass haul monitoring
  - Vision Link also allows
    - Customized alerts
      - ✓ Type of alert and who is notified
    - Exporting data
    - Customize groups, sites and projects

Vision Link is the software end of the information from the machine sensor transmitted by Caterpillar Product Link. Product Link will be supplied on all qualifying Caterpillar machines. Along with Product Link hardware, Caterpillar provides three years free subscription.

Product Link can be dealer installed for a nominal fee, on machines that Caterpillar does not supply as standard equipment. Generally, Product Link will be included on medium to large construction class machines. With the exception of backhoes, or skid steers, it will be included on most common machines the City of Tucson is likely to purchase from this contract. By early 2017, we believe every Caterpillar product will come with Product Link from the factory.

#### Technical Assistance and Documentation

Caterpillar Electronic Technician (ET) features:

- Displays parameter status
- Displays active diagnostics

- Clear and view logged diagnostics
- Performs diagnostic tests
- Print reports and diagnostic results
- Perform calibrations
- Displays current totals information, i.e. fuel consumption, operating hours, etc.
- Integration to help files

#### Technical Information, Service Information Systems (SIS)

The following items are available from SIS WEB subscription at no additional charge to the City of Tucson as part of this proposal.

- Applied Failure Analysis
- As Shipped
- Custom Service Information
- Disassembly & Assembly
- Engine News
- Engine Performance Specs
- Engine Tool Guide
- General Service Information
- Kits Information
- Microfiche1
- Operation and Maintenance Manual
- Parts Identification
- Safety
- Schematic
- Service Magazine
- Special Instruction
- Specifications
- Systems Operation
- Systems Operation - Fundamentals
- Testing and Adjusting
- Tool Guide
- Tool Operating Manual
- Torque Specifications
- Truck Engine News

Empire Parts Service and Sales Representatives (PSSR) assigned to the City of Tucson will provide training with Caterpillar technical software. Product Support Sales Representatives work closely with all departments and divisions within Empire and will assist the City of Tucson with needs related to product issues and with navigating the Caterpillar product support offerings.

- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

### **Caterpillar Response**

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

### **Dealer Response**

Is electronic invoicing available?

Machine invoices will be generated after receipt of City of Tucson purchase order at Empire. The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order
- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from EMPIRE to agency
- Machine configuration (if requested)\

Machine payments are due 30 days after receipt of invoice. Terms of our invoices are available at: [www.empire-cat.com/sales serviceterms](http://www.empire-cat.com/sales serviceterms)

Is summary invoice available?

Yes

Are there other options on how an agency receives an invoice?

Invoices will be sent by mail, electronically or can be verbally requested for pick up.

Submit sample invoices.

Samples will be included in the attachment section of this RFP.

- i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

### **Caterpillar Response**

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory

**Dealer Response**

As described in Caterpillar's response, in most cases working with Empire's Account Manager will alleviate wrong order issues. If Empire receives a purchase order and the quantity or configuration stated is, or seems not to be what was discussed, our Account Manager will attempt to notify both procurement and the user department, if procurement approves.

The vast majority of the time, we solve the issue at this stage. Errors of Empire's making are the responsibility of Empire. If the purchase order, or subsequent instruction in writing, is given by key personnel from the City of Tucson and Empire fails to correctly order the product, Empire will bear the expense of correcting it. If the item is in excess of what was ordered, Empire will remove it. If the item cannot economically be removed and it does not interfere with the production, safety, operator comfort or expose the City of Tucson to additional operational expense, Empire may elect to leave it on the machine at no charge to the City of Tucson.

- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

**Caterpillar Response** (only)

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

- k. Titles- will equipment be provided with proof of registration with the state?

**Caterpillar Response** (only)

Where appropriate, all titles will be provided with proof of registration with the state.

- I. Will each product be delivered free of distributor advertising?

**Caterpillar Response** (only)

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

- 6) Other

- a. Describe any government rebate programs applicable.

**Caterpillar Response** (only)

No specific governmental rebate programs are currently available.

**B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

**Caterpillar Response**

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to

provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

#### **CONFIDENTIAL – Request confidential treatment –**

Empire Machinery and other dealers across North America, who choose to participate, offer the following parts, service, rental, and accessories discounts as part of RFP#161534.

<b>Dealer-Related Parts, Service, Rentals, and Accessories</b>	<b>Minimum List/Card Discount</b>
Rental Rate Discount	15%
Used Machines Purchase Discount	20%
GET (Ground Engaging Tools) Discount	25%
Filter Discount	20%
Fluid Discount with TM&R (Total Maintenance & Repair)	14%
Undercarriage Discount	15%
Power Systems Rental Rate	15%
Power Systems Used Purchase Discount	20%
Used Work Tools	14%

- 2) Based on your distribution network, explain how freight is calculated.

**Caterpillar Response**

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Freight is calculated in three different manners, depending on model, for Caterpillar:

- Caterpillar Included in Price: On most small products Caterpillar defines as BCP, such as Skid Steers, Backhoes, Telehandlers, and Mini Excavators, freight is included in the list price and is not a line item on the price list. Caterpillar dealers have zero control on this process. Caterpillar models handled in this manner are referenced as "FOB Dealer" in the Caterpillar price pages.
- Caterpillar Managed Freight: On some regional type models such as medium Excavators, Caterpillar will add the freight to the invoice. Caterpillar dealers have zero control on this process. The cost to Empire, for this particular model, is noted specifically in the Caterpillar price pages.
- Empire Quoted: Empire is responsible for the freight from either the factory or the port. Empire utilizes an RFP to quote pricing in advance for each of these models. Five to seven national freight companies compete against each other using this bid system. Empire will use this pricing methodology to determine the freight on each individual model.
- Allied Products: Allied freight varies from manufacturer to manufacturer. Some provide managed freight; some quote dealers "FOB" their factory. Empire will provide a written quote from the vendor at time of quotation to recapture these freight costs.

Empire does not "mark-up" or profit from freight. This is a "pass through" expense to the City of Tucson.

- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contract. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

**Caterpillar Response**

CONFIDENTIAL – Request confidential treatment –

Several factors will come into play when looking at possible price adjustments. Given that our machines and their components are largely made up of a variety of metals, commodity prices will have a significant impact on how pricing is adjusted moving forward. Combined with the fluctuation in fuel cost, rubber prices as well as the cost associated to the development of technologies associated to meeting emissions regulations, we expect the prices of heavy equipment to continue to rise. With this uncertainty, Caterpillar is asking that the most current published pricing, Caterpillar's suggested Consumer Price List, be that which is used in the quotation of equipment for this contract by the supporting Dealers. Failure to do so may limit Caterpillar's ability to commit to the pricing terms as outlined in this solicitation.

Typically, price changes go into effect on the first business day of the calendar year. However, Caterpillar reserves the right to adjust prices up or down as needed with an understanding that price changes may impact purchase intentions.

In a rare situation where Caterpillar determines a need to make price list corrections/reductions we reserve the right to adjust discount structures as long as that discount change is not detrimental to the customer.

With more than 300 products, Caterpillar introduces new products and removes outdated products periodically throughout the year. Caterpillar will provide the City of Tucson an updated equipment list and discount structure when these changes take place.

#### Past and Future Price Increases

JAN2014:	0 to 3%	plus 0 to 5% if emissions related, and -14% on WHEX
JAN2015:	-2 to 4%	plus 0 to 4% emissions related
JAN2016:	-4 to 4%	plus 3% emissions on D6K, 815 and 816
JUL2016	0 to 2%	some paving equipment only
JAN2017:	0 to 4 %	

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### Dealer Response

##### **CONFIDENTIAL – Request confidential treatment –**

Empire will honor our discount from Caterpillar list prices to the City of Tucson for the term of the awarded contract. However, as a dealer we have no control over when the manufacturer announces price increases or how much those increases will be. Over the last three years, the prices have changed hundreds of times. To avoid overwhelming this proposal with hundreds of example price increases, Empire will provide examples of the price increases associated with the seven Caterpillar models we have included below.

Typically, in September, Caterpillar announces an annual price increase that will affect machines and work tools shipping after January 1<sup>st</sup> of the following year. This is not based on order date, but ship date. If a tractor is ordered in August and is not going to ship until January, the tractor would be subject to the price increase for that model announced in September.

The price increase sheet is detailed by model and Empire has experienced price increases ranging from -1% to +8% over the past three years. In this time frame, Caterpillar has announced one mid-year price increase. It was announced approximately 90 days before taking effect and was rolled out as described above.



In regards to price list changes, Caterpillar modifies the price pages often. These adjustments affect base price, configuration item price, internal vendor change causing a reference number change, etc.

Listed below is the number of times Caterpillar made price adjustments between 01/01/2016 and 08/10/2016:

120M:	22 Price List changes
M316D:	15 Price List changes
D6K:	19 Price List changes
308E:	23 Price List changes
930:	36 Price List changes
12M2 AWD:	6 Price List changes
CB22:	11 Price List changes

Prior to 2006, most price increases followed the commodities markets of primarily oil and iron. Historically, this was a predictable 2%-3% per year. The most significant changes in pricing since 2006 have been the expense of manufacturers adding EPA emissions compliance packages. Some machines experience as much as +8% in 12 months.

We expect Caterpillar will return to a more stable range of price increases that more generally follow the U.S. inflation rate. The long range indicators/indices for predicting construction machinery will continue to be U.S. labor rates, and energy and steel. As one of the largest steel consumers in the world, Caterpillar blends long and short term contracts on steel and other commodities to help absorb shocks to these markets, in an effort to help its dealers and customers adjust. At the time of this writing, Empire does not anticipate significant changes that would affect the expected return to standard 2%-3% annual price increases.

- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

#### **Caterpillar Response**

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

Above and beyond the discounts stated in the price proposal/discounts section of this RFP, Caterpillar or Allied manufacturers may offer additional discounts beyond the minimum table. These incremental discounts may be short term (seasonal) programs or multiple unit discounts for a single transaction.

Incremental or additional discounts come from cycles of increasing or decreasing demand from the marketplace. If a manufacturer cannot produce the quantities to supply the opportunity, their incremental discounts are usually zero. Conversely, if they are targeting a new product, have over produced, or feel they are losing crucial market share in a region, they may offer dealers a temporary or seasonal additional discount with the intent it will incentivize dealers to stock more, or end users to pull purchases forward.

In the event additional or incremental discounts are available, Empire will pass these discounts on to the City of Tucson when "current" pricing quotes are requested. These quotes will show the contract minimum discount along with any additional or incremental discount and their expiration dates. These incremental discounts are usually labeled as "incentives" and they can have a very short life. Empire will explain to the City of Tucson their origin, amount and termination date.

Occasionally, Empire can negotiate termination extensions when the City of Tucson wants to take advantage of an incremental discount, but requires additional time to secure funding and approval. Empire is compelled to add: "Occasionally" means we are successful at securing extensions fewer times than not.

- 5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

**Caterpillar Response** (only)

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

**Caterpillar Response** (only)

None available at this time.

- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0 %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

- 8) Will payment be accepted via commercial credit card? ☐ Yes ☒ No
- a. If yes, can commercial payment(s) be made online? ☐ Yes ☐ No
- b. Will a third party be processing the commercial credit card payment(s)?  
☐ Yes ☐ No
- c. If yes, indicate the flat fee per transaction \$\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
- d. If "no" to above, will consideration be given to accept the card? ☒ Yes ☐ No

**Caterpillar Response** (only)

\*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

- 9) Does your firm have a City of Tucson Business License? ☒ Yes ☒ No
- a. If yes, please provide a copy of your City of Tucson Business license.

**Caterpillar Response**

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

A copy of the City of Tucson Business License issued to Empire Southwest LLC (dba Empire Machinery) is included in the attachments section of this RFP.

**C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

**Caterpillar Response** (only)

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

- 2) Describe your dealer network and their role in providing products and services under this contract.

**Caterpillar Response** (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on  
[http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network

brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

**Caterpillar Response**

Nationally, the contract will be managed by:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

**Dealer Response**

For all support related to this contract, please contact:

Clinton Swapp	Ty Robertson
Sales Account Manager	Product Support Sales Representative
7600 S. Nogales Hwy.	7600 S. Nogales Hwy.
Tucson, AZ 85756	Tucson, AZ 85756
Office: 520-746-8213	Office: 520-746-8226
Cell: 520-240-8213	Cell: 520-269-1171
Email: Clinton.Swapp@empire-cat.com	Email: Ty.Robertson@empire-cat.com

- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

**Caterpillar Response**

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

**Dealer Response**

References:

City of Phoenix

Contact: Bonnie Shockley, Equipment Control Specialist  
2441 S. 22<sup>nd</sup> Ave., Phoenix, AZ 85009  
602-534-2129  
[bonnie.shockley@phoenix.gov](mailto:bonnie.shockley@phoenix.gov)

Maricopa County

Contact: Gidget Vigil, Equipment Manager  
3325 W Durango St. Phoenix, AZ 85009  
602-506-4674  
[gidgetvigil@mail.maricopa.gov](mailto:gidgetvigil@mail.maricopa.gov)

Cochise County

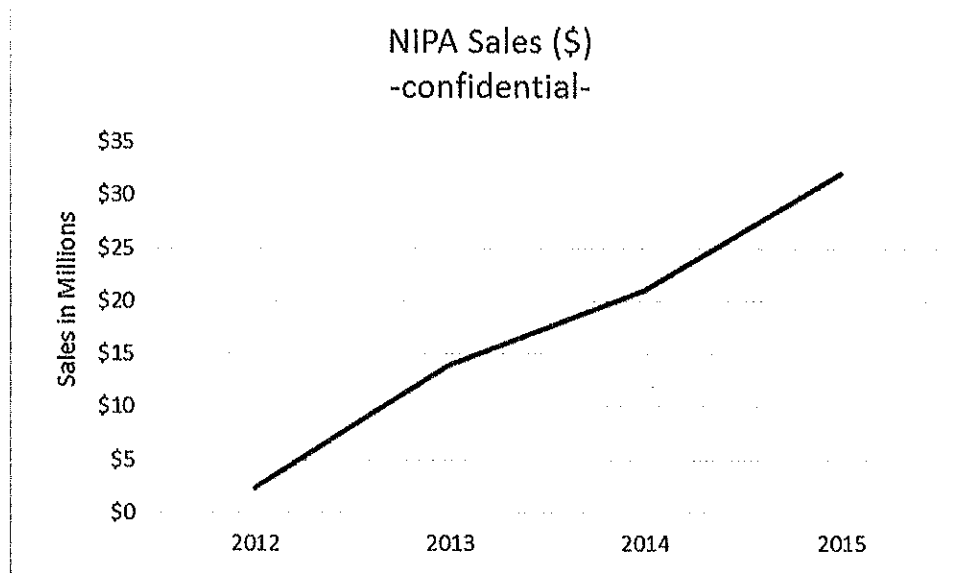
Contact: Ruben Miranda, Internal Services Administrator  
1151 W Hereford Road. Bisbee, AZ 85603  
520-432-8391  
[rmiranda@cochise.az.gov](mailto:rmiranda@cochise.az.gov)

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.

**Caterpillar Response (Only)**

- CONFIDENTIAL – Request confidential treatment –

Our success with the National IPA partnership has been outstanding. Our internal sales support staff as well as our dealers embrace the concept and fully understand how to use the program. Our results since signing the contract in 2012 have been impressive as the chart below demonstrates:



Please also refer to vendor's response section 2015 Year In Review

- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

**Caterpillar Response**

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Empire Machinery's response is for Empire's territory only. All CAT dealers employ service personnel, with all levels of experience, but will vary from dealer to dealer.

Empire employs over 540 trained technicians throughout Empire's territory. These technicians are highly trained and the majority have job site experience in all industries including, but not limited to:

- Landfill
- Governmental
- Heavy Construction
- Highway / Road Construction
- Paving
- Mining
- Forestry
- Agriculture
- Power Generation
- Quarries & Aggregates
- Residential Construction
- Recycling

### **Additional Services Information**

Empire Machinery provides the largest investment of any competitor in the following areas.

Service: Empire provides the largest number of both shop and field technicians in the State of Arizona. From the best data we can gather, we have more staff in each of the service areas than all of our competitive vendors combined.

Empire Service Capacity Statistics (statewide):

- Field Service Technicians: 190+
- Service Trucks: 300+
- In Shop Technicians: 330+
- Technical Communicators: 13
- Service Managers: 27+ (all former shop or field technicians)
- 90 Shop Leadspersons
- 40+ Welders
- Average length of time in Service for all technicians: 10.5 years
- Many technicians in EMPIRE's stores have over 25 years' experience for other technicians to draw from

Years of experience in service staff are important to the customer. One of the highest costs of Ownership and Operating (O&O) costs is downtime. The faster a vendor can dispatch and arrive at a down machine (based on truck fleet capacity), trouble shoot the problem (based on experience, access to information or additional expertise), select and confer repair options with the customer, repair the machine (based on truck tool box capacity), only then can the absolute lowest expense be achieved, returning the machine to production.

It is difficult to quantify savings from assessing truck capacity and capability when trying to compare one vendor to another. The parts and labor expense in the cost of a work order are easier to compare and tend to be what receives focus rather than the difficult task to determine downtime expense or savings. The primary mission, and Empire's extensive investment in our Parts and Service Departments, is focused on reducing downtime expenses while being as efficient as possible.

### **Value Added Support Services**

The ability of the local dealer to provide value added support services is an important consideration in the purchase of heavy equipment. Empire provides many of these value added services to reduce the operating cost and risk of machine ownership.

The following is a summary of Empire's value added services:

- Tractor Machining – With tremendous capacity for component restoration and repair, reuse and rebuild of machine components (ISO9000/2001 Certified)
- Empire Hydraulic Service – Operating multiple shifts and capable of full service for all hydraulic brands (ISO/9000/2001 Certified)
- Empire Transport – Heavy haul with a fleet of 60 trucks and capable of hauling loads up to 180,000 lbs. in the event of any emergency



- Empire Training Institute – Provides both technical and non-technical training programs for EMPIRE employees, customers and other Caterpillar dealers via classroom and web-based training courses
- Technology Products and Services – Sitech Southwest, a wholly owned subsidiary of Jeff Whiteman (CEO of EMPIRE), offering a full range of technology solutions and technology support.
- Wear Analysis – Empire's own laboratory, processing 120,000 samples annually (ISO9001; 2001 Certified). The wear analysis allows a customer to repair a component or tractor before failure.
- In-Shop Services – With multiple shifts, over 400 factory certified technicians and EMPIRE's capability as the largest powertrain rebuild dealer in North America.
- Field Service Capability – 24 hours/7 days availability of over 300 field service trucks, along with EMPIRE's most experienced technicians (12 years average experience)
- Empire Power Systems – Provides turnkey solutions, service and temporary power for data centers, life support systems, telecommunication and construction. Empire also offers reliable, cutting edge solar solutions to commercial customers.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

**Caterpillar Response (only)**

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

**Account : CATERPILLAR INC.**

D-U-N-S® Number: 00-507-0479 - CATERPILLAR INC.  
Account Number: CAT1  
Trade Names: CATERPILLAR  
Endorsement/Billing Reference: Wilson\_Alex\_D@cat.com

**D&B Address**

**Address** 100 No Adams St  
Peoria, IL, US - 61629  
**Phone** 309 675-1000  
**Fax** 309-675-1076  
**Location Type** Headquarters  
**Web** www.caterpillar.com

**Account Address**

**Address** 100 NE ADAMS ST  
PEORIA, IL, US - 616290001  
**Phone** 309-675-1000  
**Fax** 309-675-1076

Assigned to: Credit Department

Account Created: 08/31/2016

Last View Date: 10/05/2016

Last Review Date: 10/05/2016





Last Import Date: 08/31/2016

Endorsement : Wilson\_Alex\_D@cat.co  
m

**Company Summary**

Currency: Shown in USD unless otherwise indicated

**Score Bar**

<b>Credit Limit</b>	<b>Unavailable</b>	
<b>Credit Limit - D&amp;B Conservative</b>	<b>1,000,000.00</b>	Based on profiles of other similar companies.
<b>Credit Limit - D&amp;B Aggressive</b>	<b>1,000,000.00</b>	Based on profiles of other similar companies.
<b>PAYDEX®</b> 	<b>70</b>	Paying 15 days past due
<b>Commercial Credit Score Percentile</b> 	<b>39</b>	Moderate Risk of severe payment delinquency.
<b>Financial Stress Score National Percentile</b> 	<b>67</b>	Moderate Risk of severe financial stress.
<b>D&amp;B Viability Rating</b>		<a href="#">View More Details</a>
<b>Bankruptcy Found</b>	<b>No</b>	
<b>D&amp;B Rating</b>	<b>5A3</b>	5A indicates 50 million and over, Credit appraisal of 3 is fair

**Account Review Reasons**

**Status:** Credit Increase Recommended **Credit Increase Recommended:** An automated review triggered a recommended action of "Credit Increase Recommended" on 10/05/2016. D&B was your source of business information to make this decision.

The "Low Risk 2-3.99" rule triggered this review because of the following conditions:

Condition	Value
Cat Existing Scorecard Is Between 2.00 AND 3.99	3.85

Based on the "Credit Increase Recommended" rule the

credit terms are :

	Recommended	Latest Actual
<b>Credit Limit</b>	50,000.00	Not Set
<b>Payment Terms</b>	Net 30	Not Set
<b>Early Payment Discount</b>	Not Set	Not Set
<b>Analyst Instructions</b>	No instructions provided for this Review.	No instructions available.

The recommended credit terms were based on the following:

Condition	Value
Account ReviewRule	Credit Increase Recommended Rule

The following information was used to calculate the CLM:

Expression: (Caterpillar Input 3) \* 5

» Previous 10 Credit Terms

Credit Terms prior to review on 10/05/2016

<b>Credit Limit</b>	50,000.00	Not Set
<b>Payment Terms</b>	Net 30	Not Set
<b>Early Payment Discount</b>	Not Set	Not Set
<b>Analyst Instructions</b>	Not Set	Not Set

Financials Statement Source: EDGAR | Interim | 06-30-2016

Credit Terms prior to review on 08/31/2016

<b>Credit Limit</b>	50,000.00	Not Set
<b>Payment Terms</b>	Net 30	Not Set
<b>Early Payment Discount</b>	Not Set	Not Set
<b>Analyst Instructions</b>	Not Set	Not Set

Financials Statement Source: EDGAR | Interim | 06-30-2016

#### Detailed Trade Risk Insight™

Days Beyond Terms Past 3 Months

**7**

Days

Dollar-weighted average of 1126 payment

## Recent Derogatory Events

	Aug-16	Sep-16	Oct-16
Placed for Collection	-	-	500 on 1 acct
Bad Debt Written Off	-	-	-

## D&amp;B Viability Rating

1	Viability Score: 1								
3	Portfolio Comparison: 3								
A	Data Depth Indicator: A								
A	Company Profile: A								
	<table><tr><td>Financial Data</td><td>Trade Payments</td><td>Company Size</td><td>Years in Business</td></tr><tr><td>Available</td><td>Available (3+Trade)</td><td>Large</td><td>Established</td></tr></table>	Financial Data	Trade Payments	Company Size	Years in Business	Available	Available (3+Trade)	Large	Established
Financial Data	Trade Payments	Company Size	Years in Business						
Available	Available (3+Trade)	Large	Established						

## Company Overview

This is a headquarters location

Branch(es) or Division(s) exist Y

Chief Executive	DOUGLAS R OBERHELMAN, CHB-CEO
Stock Symbol	CAT
Year Started	1925
Employees	105700 (1176 Here)
SIC	3531 , 3519
Line of business	Mfg construction & mining equipment, diesel & natural gas engines, industrial gas turbines, & diesel-electric locomotives
NAICS	333120
History Status	CLEAR
Financial Condition	GOOD

## Stock Performance

CAT : 89.50 ↑ 2.00 (2.28%)

Previous Close: 87.52

Volume: 4197372.00

Daily High: 89.88

Daily Low: 88.05

52-Week High: 89.20

52-Week Low: 56.37

P/E: 57.3718

Market Cap: 52,288,690,700

EPS: 1.56

Div/Yield: 3.45

#### FirstRain Company News



• **New Cat R1700K underground loader designed**  
2016-10-05T09:22:06 AKDT 9:22 AM-Mining

• **YieldBoost Caterpillar From 3.5% To 5.8%**  
2016-10-05T08:06:23 AKDT 8:06 AM-NASDAQ.com

• **Better Buy: Caterpillar Inc. vs. Illinois Tool**  
2016-10-05T07:50:24 AKDT 7:50 AM-FOX Business

• **Caterpillar Inc. (CAT) Stock Did Its Job. Cut**  
2016-10-05T04:07:36 AKDT 4:07 AM-Investor Place

• **Kim Hauer pursues new opportunity**  
2016-10-05T02:18:07 AKDT 2:18 AM-World Coal

• **Caterpillar : Exhaust Manifold for Caterpillar**  
2016-10-05T00:00:30 AKDT 12:00 AM-4-Traders

• **SAE International to Honor Caterpillar VP**  
2016-10-04T20:29:45 AKDT 8:29 PM-Houston

• **How Middle America became Trump country**  
2016-10-04T15:36:27 AKDT 3:36 PM-MSN CA

• **Caterpillar Inc. Files Forms 4**  
2016-10-04T15:09:06 AKDT 3:09 PM-PR Newswire

• **H.O. Penn Holds SITECH Demo Open House at**  
2016-10-04T11:55:54 AKDT 11:55 AM-Construction

• **Caterpillar Oil & Gas launches G3516J gas**  
2016-10-04T08:35:37 AKDT 8:35 AM-Oil Review

• **Caterpillar Factory Purchased by MN Company**  
2016-10-03T22:49:06 AKDT 10:49 PM-WTAQ

• **Caterpillar : CAT 794 AC MINING TRUCK**  
2016-10-03T08:05:31 AKDT 8:05 AM-4-Traders

• **Seeing Machines receives Caterpillar boost**  
2016-10-02T23:08:46 AKDT 11:08 PM-ProActive

• **Caterpillar, Inc. (NYSE:CAT) Is Expected To**  
2016-10-02T10:17:36 AKDT 10:17 AM-Realist

- **Caterpillar : \$313,154 Federal Contract**  
2016-10-01T04:05:36 AKDT 4:05 AM-4-Traders

---

- **Peoria business benefits from laid-off**  
2016-09-30T07:54:26 AKDT 7:54 AM-Pekin

---

- **Caterpillar: Did Cramer Call A Top?**  
2016-09-30T06:21:47 AKDT 6:21 AM-Seeking Alpha

---

- **Cat's exit no disaster after all**  
2016-09-29T19:16:39 AKDT 7:16 PM-The Advocate

---

- **Caterpillar (CAT) Announces Price Action of**  
2016-09-29T13:18:54 AKDT 1:18 PM-

---

- **Caterpillar Wins 2016 ANNY Excellence In**  
2016-09-29T12:30:44 AKDT 12:30 PM-SeattlePi.com

---

- **Caterpillar Uptrend Faces Major Obstacles**  
2016-09-29T11:49:21 AKDT 11:49 AM-

---

- **Caterpillar no longer a dog, rising 7% in two**  
2016-09-29T09:02:13 AKDT 9:02 AM-Seeking Alpha

---

- **Caterpillar Affirms Commitment to Egypt's**  
2016-09-29T07:55:51 AKDT 7:55 AM-Caterpillar Inc.

---

- **Jim Cramer -- It's Time to Stop Betting Against**  
2016-09-29T06:31:21 AKDT 6:31 AM-The Street

---

- **Caterpillar Inc. (CAT) Surged To A New High**  
2016-09-29T03:31:45 AKDT 3:31 AM-RTTNews

---

- **Congratulations to the Winners of San**  
2016-09-28T20:53:39 AKDT 8:53 PM-Austmine

---

- **Caterpillar Inc. (CAT) Shares Sold by**  
2016-09-28T18:47:56 AKDT 6:47 PM-The Olympia

---

- **Asphalt compaction seeing major technical**  
2016-09-28T16:19:02 AKDT 4:19 PM-World

---

- **Wall Street closed in the green again on OPEC**  
2016-09-28T12:58:27 AKDT 12:58 PM-Forex Street

---

- **Caterpillar Is Breaking Out to New Highs -- and**  
2016-09-28T10:12:32 AKDT 10:12 AM-The Street

---

- **Infocast's 4th Additive Innovation Summit**  
2016-09-28T08:03:51 AKDT 8:03 AM-PRWeb

---

- **How's Caterpillar Doing? Check These 2**  
2016-09-28T07:13:08 AKDT 7:13 AM-The Street

---

- **Caterpillar : 35TH ANNIVERSARY OF THE CAT**  
2016-09-28T07:07:33 AKDT 7:07 AM-4-Traders

---

- **Caterpillar : NEW CAT PROXIMITY**  
2016-09-28T07:03:09 AKDT 7:03 AM-4-Traders

---

- **2 New Equity REITs In My 85 Stock Portfolio:**  
2016-09-28T00:37:13 AKDT 12:37 AM-Seeking

---

- **MCFA appoints Towlift as Pittsburgh dealer**  
2016-09-27T09:43:34 AKDT 9:43 AM-Refrigerated &

---

- **Excited About Caterpillar Inc.'s Latest Big Buy**  
2016-09-27T03:37:21 AKDT 3:37 AM-FOX Business

---

2016-09-27T03:12:44 AKDT 3:12 AM-The Street

**Caterpillar Goes Beyond the Iron at MINExpo**  
2016-09-26T13:06:21 AKDT 1:06 PM-CNBC

**NowNS: International experience makes local**  
2016-09-26T11:04:45 AKDT 11:04 AM-The Chronicle

**Caterpillar eyes a brighter future ahead of**  
2016-09-25T20:41:21 AKDT 8:41 PM-Mining

**Caterpillar (world's No.1 heavy machinery**  
2016-09-25T18:06:38 AKDT 6:06 PM-NASDAQ.com

**Caterpillar sees green shoots in mining, but**  
2016-09-24T16:43:38 AKDT 4:43 PM-MINING.com

**Caterpillar Gives the Gift of Power to St. Luke's**  
2016-09-24T15:20:45 AKDT 3:20 PM-PR Newswire

**American workers out, foreign workers in**  
2016-09-23T13:18:23 AKDT 1:18 PM-

**Caterpillar Vice President Kim Hauer to Pursue**  
2016-09-23T07:55:18 AKDT 7:55 AM-Caterpillar Inc.

**Nick in the AM: At least one media source**  
2016-09-23T05:51:23 AKDT 5:51 AM-The Peoria

**From manufacturing to innovative design**  
2016-09-23T00:32:54 AKDT 12:32 AM-Engineers

**QUT to Lead a Project with Caterpillar for**  
2016-09-22T18:53:23 AKDT 6:53 PM-Austmine

Powered by FirstRain

#### Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	1	03/06/07
Suits	4	03/11/16
UCCs	722	08/09/16

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

#### Predictive Scores

Currency: Shown In USD unless otherwise Indicated

#### D&B Viability Rating Summary

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months. The D&B Viability Rating is made up of 4 components:

<b>1</b>	<b>Viability Score</b>	Lowest Risk:1      Highest Risk:9			
<b>Compared to All US Businesses within the D&amp;B Database:</b> <ul style="list-style-type: none"> <li>• Level of Risk: <b>Low Risk</b></li> <li>• Businesses ranked 1 have a probability of becoming no longer viable: <b>0.2 %</b></li> <li>• Percentage of businesses ranked 1: <b>0.3 %</b></li> <li>• Across all US businesses, the average probability of becoming no longer viable: <b>14 %</b></li> </ul>					
<b>3</b>	<b>Portfolio Comparison</b>	Lowest Risk:1      Highest Risk:9			
<b>Compared to All US Businesses within the same MODEL SEGMENT:</b> <ul style="list-style-type: none"> <li>• Model Segment : <b>Available Financial Data</b></li> <li>• Level of Risk: <b>Low Risk</b></li> <li>• Businesses ranked 3 within this model segment have a probability of becoming no longer viable: <b>0.2 %</b></li> <li>• Percentage of businesses ranked 3 with this model segment: <b>15 %</b></li> <li>• Within this model segment, the average probability of becoming no longer viable: <b>0.6 %</b></li> </ul>					
<b>A</b>	<b>Data Depth Indicator</b>	Predictive Data:A      Descriptive Data:G			
<b>Data Depth Indicator:</b> <ul style="list-style-type: none"> <li>✓ Rich Firmographics</li> <li>✓ Extensive Commercial Trading Activity</li> <li>✓ Comprehensive Financial Attributes</li> </ul>					
<b>A</b>	<b>Company Profile</b>	Financial Data	Trade Payments	Company Size	Years in Business
		Available	Available (3+ Trade)	Large	Established
<b>Company Profile Details:</b> <ul style="list-style-type: none"> <li>• Financial Data: <b>Available</b></li> <li>• Trade Payments: <b>Available</b> (3+ Trade)</li> <li>• Company Size: <b>Large</b> (Employees: 50+ or Sales: \$500K+)</li> <li>• Years in Business: <b>Established</b> (5+)</li> </ul>					



This information may not be reproduced in whole or in part by any means of reproduction.

© 2005-2016 Dun & Bradstreet, Inc.

# ***Certificate of Insurance***

## *Statement of Insurance*

*From: Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

*Re: Verification of Casualty Insurance Program*

*Caterpillar Inc. assumes a major retention for its general liability exposures (including product liability) and auto liability exposures (except where required by state statute). This retention is consistent with Caterpillar's net worth and cash flows.*

*If Caterpillar's net worth drops below \$1 Billion, insurance certificates will be issued. Caterpillar Inc. has in place catastrophic excess liability coverage.*

*Please contact (309) 675-4645 if you have any questions.*

**CATERPILLAR®**

# ***Certificate of Insurance***

## *Statement of Insurance*

*From: Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

*Re: Verification of Property Insurance Program*

*Caterpillar Inc. assumes a major retention for its corporate property exposures. This retention is consistent with Caterpillar's net worth and cash flows. Catastrophic protection purchased is consistent with other corporations of our size.*

*Caterpillar Inc. will honor its responsibilities assumed under any agreement.*

*Please contact (309) 675-8400 if you have any questions.*

**CATERPILLAR®**

Effective with sales to the first user on or after July 1, 2016

# CATERPILLAR LIMITED WARRANTY

Earthmoving, Construction, Material Handling, Forestry and Paving Machines

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants the following new products sold by it to be free from defects in material and workmanship:

- Earthmoving, construction, material handling, forestry and paving machines (except as listed below).
- Attachments/work tools installed on such machines prior to delivery (unless covered by the Cat® Work Tool warranty statement or another manufacturer's warranty). Hammer tool points and compacting plates used on hydraulic hammers are not warranted.

Additional warranties are applicable against breakage for certain Cat Ground Engaging Tools and for wear on all landfill compactor tips. Refer to the applicable warranty statements for coverage detail.

This warranty does not apply to:

- Cat Batteries
- Mobil-trac belts, rubber tracks used on multi-terrain loaders, compact track loaders, and mini hydraulic excavators
- Cat Work Tools
- 424 Backhoe Loaders, 216 and 226 Skid Steer Loaders, and 320 Excavators sold in India
- Prentice brand forestry machines
- Longwall mining machines
- 785, 789, 793, 794, 795, 797 Off-Highway Truck models sold in regions other than the Commonwealth of Independent States ("CIS")
- 24 Motor Grader models sold in regions other than the CIS
- 854, 982, 993, 994 Wheel Loader models sold in regions other than CIS

These products are covered by other Caterpillar warranties.

This warranty is subject to the following:

## Warranty Period

For new machines and work tools/attachments the warranty period is 12-months/unlimited hours, starting from date of delivery to the first user.

## Note:

- For hydraulic line's quick connect/disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi-terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.
- For Draglines, Electric Rope Shovels, Hard Rock Movers, Hard Rock Feeders, Hard Rock Miners, Hard Rock Conveyors, Hard Rock Roof Supports; the warranty period is not to exceed 24 months from shipment of the last major component from the Caterpillar place of manufacture.

## Caterpillar Responsibilities

If a defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat dealer or other source approved by Caterpillar:

- Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar approved repaired parts or assembled components needed to correct the defect.

**Note:** New, remanufactured, or Caterpillar approved replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. Items replaced under this warranty become the property of Caterpillar.

- Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect.
- Provide reasonable and customary labor needed to correct the defect.

## User Responsibilities

The user is responsible for:

- Providing proof of delivery date to the first user.

- Labor costs, except as stated under "Caterpillar Responsibilities."
- Transportation costs, except as stated under "Caterpillar Responsibilities."
- Premium or overtime labor costs.
- Parts shipping charges in excess of those that are considered usual and customary.
- Local taxes, if applicable.
- Costs to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.
- Performance of the required maintenance (including use of proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear.
- Allowing Caterpillar access to all electronically stored data.

## Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.
- Failures resulting from abuse, neglect, and/or improper storage or repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments, and unauthorized fuel setting changes.

continued...

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT CATERPILLAR EMISSION-RELATED COMPONENTS WARRANTY FOR NEW ENGINES, WHERE APPLICABLE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED, WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1983 (NZ) WILL NOT APPLY.

NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION (CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS) IS EXCLUDED IN ITS ENTIRETY.

C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

- I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR
- II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST. PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000. THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

©2016 Caterpillar All Rights Reserved.

CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow," the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.

Effective with sales to the first user on or after January 1, 2014.

# CATERPILLAR LIMITED WARRANTY

## Rubber Track Used on Multi Terrain Loaders, Compact Track Loaders, and Mini Hydraulic Excavators

### Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants new rubber tracks sold by it for use on Compact Construction Equipment Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators to be free from defects in material and workmanship. The warranty is subject to the following:

#### Warranty Period

The standard warranty period for all new Premium rubber tracks used on Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators is 12 months, or 1500 operating hours, whichever occurs first, starting from the date of delivery to the first user.

The standard warranty period for new General Duty rubber tracks used on Multi Terrain Loaders and Compact Track Loaders is 12 months or 1000 operating hours, whichever occurs first, starting from the date of delivery to the first user.

#### Caterpillar Responsibilities

If a disabling defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat® dealer or other source approved by Caterpillar:

- At Caterpillar's choice, repair or provide an allowance toward the purchase of a new rubber track. Such allowance will be based on accrued hours. Allowance will be calculated as follows:

User Allowance for Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators with Premium rubber tracks:

Allowance (%) = (1-Track hours/1500 hours) X 100

User Allowance for Multi Terrain Loaders and Compact Track Loaders with General Duty rubber tracks:

Allowance (%) = (1-Track hours /1000 hours) X 100

- Provide reasonable and customary repair labor needed to correct the defect if product found to be defective and its replacement are both installed by a Cat dealer or other source approved by Caterpillar, or installed on machine prior to sale.

#### User Responsibilities

The user is responsible for:

- Providing proof of the delivery date to the first user.
- All cost associated with transporting the product to and from the place of business of a Caterpillar dealer or other source approved by Caterpillar.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Local taxes, if applicable.
- Any remaining costs of a new rubber track after the calculation of the "User Allowance" as stated under "Caterpillar Responsibilities."

- Parts shipping charges in excess of those that are usual and customary.
- Costs to investigate complaints, unless the problem is caused by a defect in material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.

#### Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from abuse, neglect, or improper repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments and unauthorized fuel setting changes.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.

(Continued on reverse side....)

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS, WHICH IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.

NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR

II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000, THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

©2016 Caterpillar All Rights Reserved.

CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow", the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.





Re: Due November 4 -- Exemption request for business license  
Tax-License Tax-License to: Schreifels\_Ann\_M  
Cc: "Jeffrey Whiting"

10/26/2016 03:43 PM

Caterpillar: Confidential Green

Retain Until: 11/25/2016

History:

This message has been forwarded.

Ms. Schreifels,

Since Caterpillar Inc will have a business location within Tucson city limits, Caterpillar will need a city business license. If the office in Tucson is not selling any items, then it will not need a City of Tucson tax license.

You can contact the license section at 520-791-4566 regarding a business license. You can also register for a business license using the City's e-tax system.

[https://urldefense.proofpoint.com/v2/url?u=https-3A\\_\\_www.tucsonaz.gov\\_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m90lGg-sEp8sXyly2aQ&r=WMM-Ht51y52fzXNRZvP2tBVtk26SHWUPGwOJA16F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk\\_KSfzLwib00MZic\\_U0NiNPME11Q&e=](https://urldefense.proofpoint.com/v2/url?u=https-3A__www.tucsonaz.gov_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m90lGg-sEp8sXyly2aQ&r=WMM-Ht51y52fzXNRZvP2tBVtk26SHWUPGwOJA16F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk_KSfzLwib00MZic_U0NiNPME11Q&e=)

Thank you.

Pam

>>> "Ann M. Schreifels" <Schreifels\_Ann\_M@cat.com> 10/14/2016 11:47 AM >>>  
Hello,

I'm writing behalf of Caterpillar Inc. We are responding to a City of Tucson RFP (#161534) and one of the requirements is to either hold a City of Tucson business license or receive a written determination from your office that a business license is not required.

Though we are responding as a manufacturer, it is our local dealer, Empire Machinery, who will conduct all business with the city. Caterpillar will never directly sell equipment nor collect any funds. This is how we are currently doing business and we are not requesting any changes. (Empire Machinery does have a current City of Tucson business license.)

Would you be able to confirm in writing that Caterpillar Inc. is not required to hold a business license for the purposes of this RFP?

The City of Tucson contract officer leading this RFP is Jeffrey Whiting and either he or I would be happy to clarify this request.

Thank you very much,

Ann Schreifels  
Americas Marketing Supervisor  
Governmental Sales & Business Processes  
Global Construction & Infrastructure  
100 NE Adams St. | Peoria, IL | USA | 61629  
Tel: 309-266-0471 | Tie: 7-726-0471 | C: 309-338-5976





## City of Tucson

### License Certificate

Business Name and Tucson Mailing Address:

EMPIRE SOUTHWEST LLC  
PO BOX 2985  
PHOENIX AZ 85062-2985

License Number: 3006282

Type: General Freight Trucking, Local

Issue Date: December 31, 2015

Expiration Date: December 31, 2016

Owner:

EMPIRE SOUTHWEST LLC

This license / permit is **non-transferable** and must be posted  
in a conspicuous place at the business location.

**THE ISSUANCE OF THIS LICENSE / PERMIT SHALL  
NOT BE CONSTRUED AS PERMISSION TO OPERATE  
IN VIOLATION OF ANY LAW OR REGULATION.**

FOLD HERE

CITY OF TUCSON, ARIZONA

FINANCE DEPARTMENT

REVENUE DIVISION - LICENSE

Expiration Date: December 31, 2016



Non-Transferable

3006282

**MUST BE DISPLAYED IN  
A CONSPICUOUS PLACE**

### Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson.

Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: EMPIRE SOUTHWEST LLC

Located At: 7600 S NOGALES HY, TUCSON, AZ 85756

Effective: January 01, 2016

Please refer to license number in all correspondence.

By

Finance Director



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

TO: Jeffrey Whiting, Contract Officer  
City of Tucson, AZ

FM: Patty Redpath, Governmental Account Manager  
Caterpillar Inc.

RE: Payments for purchases under RFP #161534

As requested in the RFP, this note constitutes formal notice that payments by the City of Tucson for products and services under this contract should be made to our authorized dealer, Empire Machinery.

Payments should be directed to:

Empire Machinery  
7000 S. Nogales Highway  
Tucson, AZ 85756-9640  
Phone: 520-746-8200



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

TO: Jeffrey Whiting, Contract Officer  
City of Tucson

FM: Ann Schreifels  
Governmental Sales Manager

RE: Price Discounts and Price Pages

Caterpillar does not have a typical product catalog or price pages. Because our machines and equipment are relatively low volume products and often created to customer specifications, we don't have a static document to attach here. With more than 300 products that each have a detailed 20- 40-page price list, we also didn't feel it was in the best interest of the City's environmentally conscious policies.

The City of Tucson can request current price pages from Caterpillar Inc, or from Empire Machinery at any time.

Because our pricing model under this contract is a minimum discount off of list price, those discounts are attached here. Working with the local sales representative to configure the machine correctly and then applying the discount will result in the contract price indicated in this proposal.

Please feel free to reach out to me at 309-338-5976 or to Patty Redpath at 309-494-4578 if you are not able to reach a local Empire Machinery contact.

## Cooperative Contracts 2017 - City of Tucson RFP Response

Machine Model*	New Equipment
2016	Discount to Customer (Off List Price)

**Pavers**

AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%

**Rollers**

CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

\*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

# 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

## Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

## Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

## Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

## Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

## Reclaimers

RM300	14.00%
RM500	14.00%

## Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

## Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

## Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

## Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

# 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

## Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

## Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

## Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

## Site Prep Tractor

586C	20.00%
------	--------

## Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

# 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

## Articulated Trucks

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

## Rigid Frame Trucks

770	10.00%
773	10.00%

## Landfill Compactors

816	14.00%
826	14.00%
836	14.00%

## Wheel Dozers and Soil Compactors

814	15.00%
815	15.00%
824	15.00%
825	15.00%

## Wheel Loaders

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

## Track Loaders

953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%
-----------	--------

Caterpillar Safety Services	15.00%
-----------------------------	--------

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

## Caterpillar Oct. 7, 2016 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

### Participant Discount

60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F\_PE400CNN" Caterpillar Price List)

D13	50%
D20	50%
D25	50%
D30	50%

60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F\_1100CNN" Caterpillar Price List)

D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-6S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%

60 HZ, 40 - 80 kW (Reference the "PSNA-EPG-F\_C4.4LCAN" Caterpillar Price List)

D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%

60 HZ, 40 - 100 kW (Reference the "PSNA-EPG-F\_C4.4PGAN or C4.4PGBN" Caterpillar Price List)

D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%

60 HZ, 125 - 175 kW (Reference the "PSNA-EPG-F\_C6.6PGAN" Caterpillar Price List)

D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%

60 HZ, 200 kW (Reference the "PSNA-EPG-F\_C7.1PGAN" Caterpillar Price List)

D200-2 (3 phase)	35%
------------------	-----

C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F\_C9PKGN" Caterpillar Price List)

200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output

C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F\_C9PGAN" Caterpillar Price List)

200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output

C13PGAN, 350kW & 400kW

37%

C15, 60 HZ, 350 - 500 kW (Reference the "PSNA-EPG-F\_C15PGAN" Caterpillar Price List)

350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output



C15, 60 HZ, 455 - 500 kW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List) (EPA & CARB Tier 4 Interim Emissions Certified)	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 800 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 kW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List) (EPA & CARB Tier 4 Final Emissions Certified)	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 kW (Reference the "PSNA-EPG-F_C27PGBN" Caterpillar Price List)	
750 kW 480 Volt	33%
800 kW 480 Volt	33%
C27, 60 HZ, 725 - 800 kW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List) (EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW (Reference the "PSNA-EPG-F_C32PKGN" Caterpillar Price List)	
1000 kW 480	37%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use) (Reference the "PSNA-EPG-F_3512PGAN" Caterpillar Price List)	
480 V, Standby Rating Only - 1500 kW	33%
12470 V, Standby Rating Only - 1500 kW	33%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use) (Reference the "PSNA-EPG-F_3516PGAG" Caterpillar Price List)	
480 V, Standby Rating Only - 2000 kW	33%
12470 V, Standby Rating Only - 2000 kW	33%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available (Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	
	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 480, 12470 Volts available (Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	
	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1) (Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	32%
High Voltage - Standby Rating Only - 2000 kW	32%
3516B, 60 HZ, 2250 kW (EPA Tier 1) (Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	32%
High Voltage - Standby Rating Only - 2250 kW	32%
3516C HD, 60 HZ, 2500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use) (Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2500 kW	30%
High Voltage - Standby Rating Only - 2500 kW	30%
3516-PGDL, 2MW, 2.5MW	32%
3516-PGEL, 2MW, 2.5MW Tier 4 Final	19%
G3412, 60 HZ, 1200 RPM, 3 Phase, 480 Volt (Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	
	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt (Reference the "PSNA-EPG-F_G3508EPG" Caterpillar Price List)	
	17%
G3412PGG Standby, 375kW, 450kW, 500kW	26%
G3512NL Stationary Certified 831kW, 1095kW	17%
G3516, 60 HZ, 1800 RPM, 3 Phase, 240 or 480 Volt, Self Excited (Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	
1040 kW - Standby	17%

G3516, 60HZ, 1200 RPM, 3 Phase, 480 Volt (Reference the "PSNA-EPG-F_G3516AEPG" Caterpillar Price List)	17%
G3516H, 60HZ, 1500 RPM, 3 Phase (Reference the "PSNA-EPG-F_G3516HNG" Caterpillar Price List)	17%
G3520H, 60 HZ (Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List)	17%
G3520, 60 HZ, 2055, 1900, or 1600 eKW (Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List)	17%
<b>CG132, CG170, CG260 (custom)</b> Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets. Each quote is custom for the specific application. However, members will receive a 15% discount off of the configured list price from each member's local dealer.	15%
C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use) (Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List) 4000 kW (with Fan Rating)	24%
C175, 60 HZ, 3000 kW (EPA Tier 4) (Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List) 3000 kW (with Fan Rating)	19%
C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use) (Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List) 3000 kW (with Fan Rating) 3100 kW (without Fan Rating)	26% 26%
G30PGAN, 30kW	
G80PGAN, 50kW, 60kW, 80kW	
G150PGAN, 100kW, 125kW, 150kW	
Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW (Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)	
G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%
G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%
APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List) 20 kW* (3 or 1 phase) *There are several voltage options available	45%
XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List) 30 kW* (3 or 1 phase) *There are several voltage options available	45%
XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)	
XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List) 60 kW* (3 or 1 phase) *There are several voltage options available	45%

XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)	
182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)	
320 kW* (3 phase or 1 phase)	23%
XQ375BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ375BN" Caterpillar Price List)	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)	
455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified) (Reference the "XQ2000N" Caterpillar Price List)	
1825 kW* (3 phase)	19%
<b>Switchgear (customizable)</b>	12%
<i>Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a <u>12% discount</u> off of the configured list price from each member's local dealer.</i>	
<b>UPS (Uninterruptible Power Supply)</b>	
<b>60 HZ, 40 - 130 kVA (Reference the "UPSB130G" Caterpillar Price List)</b>	
UPSB040 (40kVA)	20%
UPSB050 (50 kVA)	20%
UPSB060 (60 kVA)	20%
UPSB080 (80 kVA)	20%
UPSB100 (100 kVA)	20%
UPSB130 (130 kVA)	20%
Plus all price list related options	20%
<b>UPS (Uninterruptible Power Supply)</b>	
<b>Flywheel Options</b>	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UP0300Z - UPS 300 480V 60HZ	20%
UP0600Z - UPS 600 480V 60HZ	20%
UP0900Z - UPS 900 480V 60HZ	20%
UP01200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
<b>Epic (Reference the "CATEPICG" Price List)</b>	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
<b>Supervisory Control Panel (Reference the "CATSCPN" Price List)</b>	
EMCP 4.4 SCP	10%
<b>ATS (AUTOMATIC TRANSFER SWITCHES)</b>	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

**Caterpillar Sourced Goods & Support Services Multiplier (Power Systems Only)**

**Sourced Goods & Support Service Provided**

**National IPA Member Pricing**

Custom Shop Work	5% off list price / typical sale price if no list price is available
Installation	5% off list price / typical sale price if no list price is available
Delivery/Freight	5% off list price / typical sale price if no list price is available
Training	5% off list price / typical sale price if no list price is available
Custom Enclosure	5% off list price / typical sale price if no list price is available
Custom Fuel Tank	5% off list price / typical sale price if no list price is available
Custom ATS	5% off list price / typical sale price if no list price is available
Dealer Labor	5% off list price / typical sale price if no list price is available
Additional/Custom Parts	5% off list price / typical sale price if no list price is available
General Contracting Labor	5% off list price / typical sale price if no list price is available
Maintenance Agreements	5% off list price / typical sale price if no list price is available

**Electrical Energy Generation Equipment with Related Accessories, Services, and Supplies.**

<b>Allied Products Discount Table</b>	
<b>Construction and Mining</b>	<b>Minimum List/Card Discount</b>
Allmand (Light Towers)	18.00%
Broce Brooms	9.00%
JLG (Man lifts)	22.00%
Mega (Water tanks, Towers and Trailers)	8.00%
Genie (Man lifts and Telehandlers)	20.00%
Progressive Solar (Solar Power Light Plants)	10.00%
Multiquip Power	24.00%
Sullair Air Compressors	28.00%
Rockland (Buckets and Dozer Blades)	8.00%
Paladin (Couplers and Attachments)	8.00%
CE Attachments (Attachments)	12.00%
Dymax (Attachments)	8.00%
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	10.00%
Wain-Roy	11.00%
<b>Agriculture</b>	
Challenger Tractors	13.00%
Massey Ferguson Tractors	13.00%
Rome (Construction Grade Discs and Plows)	13.00%
Woods (Scrapers and Mowers)	13.00%
Gearmore (Attachments)	13.00%
Reynolds (Scrapers)	13.00%
TG Schmeiser (Box blades, Land Levelers)	13.00%
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	13.00%
<b>On Road Industrial</b>	
Fuso Trucks	7.50%
Mac Trailers	8.40%
Maintainer (Service Bodies)	6.00%
Murray Trailers (Heavy Haul)	2.00%
Trail King (Small to Heavy Haul)	7.00%
UTB (Service Bodies)	8.40%
Fleming Trailers	8.40%
<b>Technology</b>	
Spectra Precision (Survey Instruments)	12.00%
Trimble (2D and 3D Grading Systems)	12.00%
Accugrade (Caterpillar Grade Control)	12.00%
Seco (Surveying and Site Prep)	12.00%
Laserline (Laser Controls)	12.00%
Apache (Grade Control, GPS and Lasers)	12.00%
Level Best (Laser Grading Box)	10.00%
<b>Unlisted and Future Allied Suppliers</b>	
All unnamed supplies will have a minimum of 40% off the Standard Dealer Discount from the Manufacturer's List Price	
<i>Example:</i> Unnamed Manufacturer Dealer Discount Off List	10%
40% Off the Standard Dealer Discount	4%
Minimum Discount Offered under RFP #161534	4%

<b>Dealer Related Parts, Service, Rentals and Accessories</b>	
<b>Dealer Related Parts, Service, Rentals, and Accessories</b>	<b>Minimum List/Card Discount</b>
Rental Rate Discount	15%
Used Machines Purchase Discount	20%
GET (Ground Engaging Tools) Discount	25%
Filter Discount	20%
Fluid Discount with TM&R (Total Maintenance & Repair)	14%
Undercarriage Discount	15%
Power Systems Rental Rate	15%
Power Systems Used Purchase Discount	20%
Used Work Tools	14%

## PROPOSAL EVALUATION REQUIREMENTS

### A. Method of Approach

#### 1) National Program

- a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

##### Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

##### Dealer Response

Empire Machinery will be providing a response to RFP #161534 on behalf of Caterpillar's Dealer network in an effort to support the terms included herein on a national scale. Empire will provide supplemental responses to applicable questions specific to the manner in which Empire will be specifically supporting the contract for the City of Tucson. From a national standpoint, Empire's supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in territories other than those serviced by Empire Machinery

#### 2) Distribution Network

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

##### Caterpillar Response (only)

-Confidential-

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

**Caterpillar Response** (only)

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

- c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

**Caterpillar Response** (only)

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagami-hara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong
RESOURCE INDUSTRIES	



<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet <b>North Carolina:</b> Winston-Salem <b>Pennsylvania:</b> Houston <b>South Carolina:</b> Sumter <b>Tennessee:</b> Dyersburg <b>Texas:</b> Dennison <b>Wisconsin:</b> South Milwaukee	<b>Australia:</b> Beresfield, Burnie <b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou <b>Czech Republic:</b> Ostrava <b>France:</b> Arras <b>Germany:</b> Dortmund, Lunen <b>India:</b> Hosur, Thiruvallur <b>Indonesia:</b> Batam <b>Italy:</b> Jesi <b>Japan:</b> Sagami-hara <b>Mexico:</b> Acuña, Monterrey, Reynosa, Torreon <b>Russia:</b> Tosno <b>Thailand:</b> Rayong <b>United Kingdom:</b> Peterlee
<b>ENERGY &amp; TRANSPORTATION</b>	
<b>Alabama:</b> Albertville, Montgomery <b>California:</b> San Diego <b>Georgia:</b> Griffin <b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac <b>Indiana:</b> Lafayette, Muncie <b>Kentucky:</b> Decoursey, Louisville, Mayfield <b>South Carolina:</b> Newberry <b>Texas:</b> Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Australia:</b> Revesby <b>Belgium:</b> Gosselies <b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas <b>China:</b> Tianjin, Wuxi <b>Czech Republic:</b> Zatec <b>Germany:</b> Kiel, Mannheim, Rostock <b>India:</b> Hosur, Aurangabad <b>Mexico:</b> San Luis Potosi, Tijuana <b>Republic of Singapore:</b> Singapore <b>Sweden:</b> Ockero Islands <b>Switzerland:</b> Riazzino <b>United Kingdom:</b> Larnie, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled \$9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

**Caterpillar Response** (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many

dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

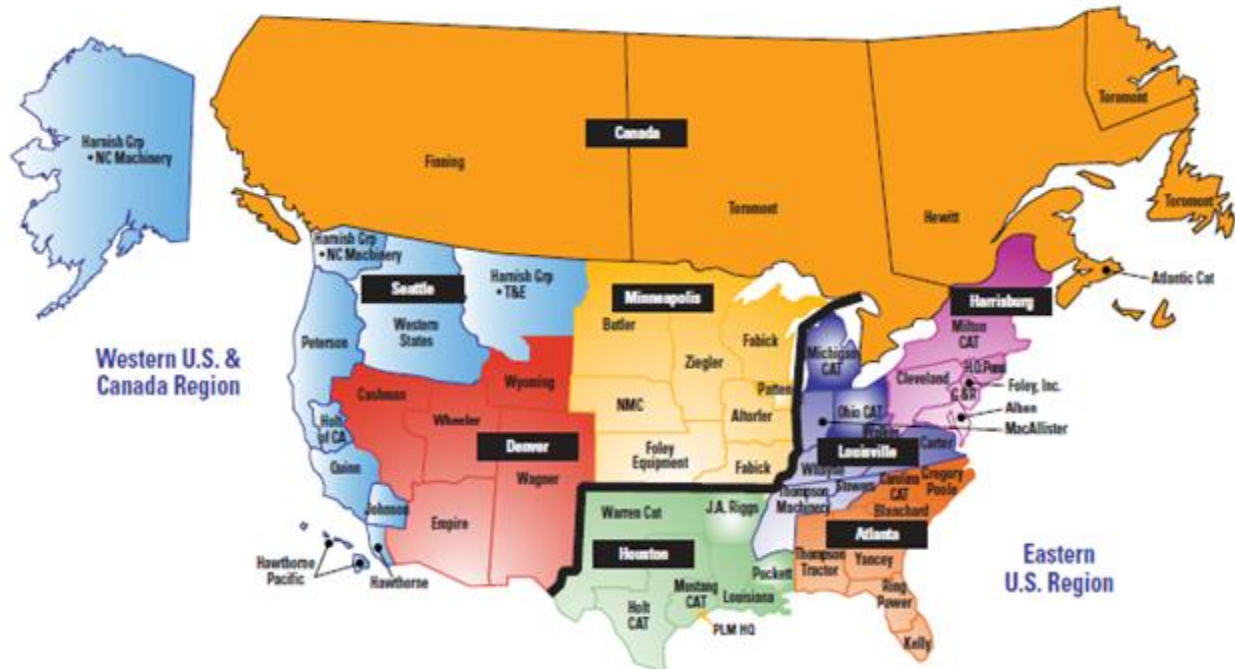


Image 1: North American Dealer Network

3) Product

- a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

**Caterpillar Response**

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

### **Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

### **Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled “Allied Products” for additional non-Cat manufactured/branded lines of equipment offered by Cat dealers for purchase under this contract.

### **Dealer Response**

Empire Machinery represents the full line of Caterpillar equipment as described in Caterpillar’s response. Cat Dealers also carry complementary products, that are non-CAT manufactured, that are available in this bid for purchase. These products are referred to as “Allied” products. Please see section 3) under Product, subsection 2. Identification and description of sub categories for a current list of Allied products.

## **2. Identification and description of sub categories.**

### **Caterpillar Response**

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

[http://www.cat.com/en\\_US/products/new/equipment.html](http://www.cat.com/en_US/products/new/equipment.html)

### **Recycling and Waste**

Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

[http://www.cat.com/en\\_US/products/new/by-industry/waste.html](http://www.cat.com/en_US/products/new/by-industry/waste.html)

### **Construction Equipment**

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development. This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/construction.html](http://www.cat.com/en_US/products/new/by-industry/construction.html)

### **Technology & Solutions**

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

[http://www.cat.com/en\\_US/support/operations/technology.html](http://www.cat.com/en_US/support/operations/technology.html)

### **Paving**

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/paving.html](http://www.cat.com/en_US/products/new/by-industry/paving.html)

### **Work Tools**

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/attachments.html](http://www.cat.com/en_US/products/new/attachments.html)

### **Other/Miscellaneous/Allied**

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed

in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

<b>Construction and Mining</b>	<b>On Road Industrial</b>
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
<b>Agriculture</b>	<b>Technology</b>
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

### Dealer Response

All Caterpillar Dealers, including Empire Machinery, represent the full line of products that Caterpillar describes in their response.

Caterpillar offers the largest number of individual models in the construction and governmental industry, as the table below illustrates. With 239 different models, Caterpillar offers more than 159 machine options than their closest competitor. No matter what the need is, big or small, Caterpillar offers more machine options/configurations to help our customers optimize each machine to customer's specific application in order to help achieve maximum utilization.

<b>Number of unique machines by Manufacturer (Excludes Mining Products)</b>	<b>Caterpillar</b>	<b>John Deere</b>	<b>Komatsu</b>	<b>Volvo</b>	<b>Case</b>	<b>Bobcat</b>
Wheel Loaders	20	15	8	13	12	5
Motorgraders	6	3	1	0	3	0
Dozers	11	7	7	0	6	0
Excavators (not including mining)	38	22	11	21	9	10
Articulated Trucks	6	5	2	5	0	0
Backhoe Loaders	5	4	3	2	2	0
Skid Steer/Compact Track Loader/MultiTerrain Loader	30	12	0	11	10	24
Skip Loaders (Industrial Class)	1	1	0	0	1	0
Landfill Compactors	3	0	0	0	0	0
Landfill Dozers	6	1	3	0	3	0
Forest Machines – Governmental Class	12	7	7	7	2	0
Scrap/Demo Material Handlers	7	0	1	0	0	0
Off Highway Trucks – Governmental Class	4	0	2	0	0	0
Asphalt Rollers – Governmental Class	23	0	0	7	10	0
Asphalt Pavers	8	0	0	6	0	0
Dirt Rollers and Compactors	28	0	0	5	4	0
Cold Planers	5	0	0	0	0	0
Reclaimers/Soil Stabilizers	3	0	0	0	0	0
Telehandlers/Forward Reach Fork Lifts	8	0	0	0	0	0
Wheel Dozers – Governmental Class	2	0	0	0	0	0
Wheeled Excavators	8	0	0	3	0	0
Wheel Tractor Scrapers	5	0	0	0	0	0
<b>Breadth of Caterpillar machines covering Governmental Market</b>	<b>239</b>	<b>77</b>	<b>45</b>	<b>80</b>	<b>62</b>	<b>39</b>

For the City of Tucson and the extended Empire Machinery dealer territory, Empire Machinery offers a line of equipment and work tools that Caterpillar doesn't market or manufacture. These products are commonly referred to in the industry as "Allied Products".

Empire Machinery, as well as the other CAT Dealers across North America, carry a wide variety of Allied products to complement the Caterpillar line as well as fill the gaps of the equipment needs of our customers in all industries.

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this additional offering provides a relative model for similar products and or services that can be offered by from other Cat Dealers across the country.

The “Allied” products that are included, but not limited to, in this RFP are:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

**Caterpillar Response** (only)

All Caterpillar products and services will be provided through Caterpillar’s North American Dealer Network.



In North America alone, Cat dealers inventory over \$1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

#### **Caterpillar Response**

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

### **Dealer Response**

Empire's 22 locations in Arizona, with three of those locations positioned in close proximity to the City of Tucson locations, are unmatched by any competitor.

Empire Exclusives:

- Family owned, locally managed by Arizonans who live in Arizona
- Over 1,600 dedicated, tenured and committed employees
- 239 different Caterpillar machine models (governmental) with exhaustive configuration options for each, allowing the City of Tucson to optimize the machine for the application
- Prime and standby power generators
- On-road trucks and trailers
- 36 Allied products that enhance production or reduce time on the job
- Over 540 trained service technicians
- Over 300 field service trucks
- 172 service bays
- Broadest warranty coverage, covering more parts than any competitor in the industry
- Warranty decisions made locally by Empire, not factory representatives
- \$93 million in parts inventory
- 161,824 parts line items in stock
- 93.5% parts fill rate over-the-counter anywhere in the State
- 96.24% parts fill rate within 24 hours, anywhere in the State
- 98.3% parts fill rate within 48 hours, anywhere in the State
- 94.97% over-the-counter parts availability in Mesa
- 99.9% parts filled within seven business days, anywhere in the State
- Over 1,800 prime units and 3,000 attachments in our Rental fleets
- Professional, full-time, Caterpillar Certified Operator and Technical Trainers, along with dedicated facilities
- 60 heavy haul transport trucks
- Dedicated Consignment Department to help maximize returns on equipment disposal

Empire alone has more resources than all of our competitors combined. We firmly believe Empire is the only supplier in Arizona uniquely and exclusively qualified to provide the City of Tucson with the lowest Life Cycle Cost/Lowest Cost per Operating Hour.

Empire also offers a worldwide consignment service that has an 89% success rate, with an average days-on-market of 90 days. The majority of the remaining 11% of consignments that do not fall into the “success rate” are made up of machines that the consignor put back to work or non-typical machines such as pavers, curb machines and similar niche products that require a longer marketing time. When you consider historical methods of disposing of older and/or unused machines, this is a good option to consider.

Empire will consign **any brand of equipment** that falls into the scope of machines offered in our proposal. The consignment rate to the City of Tucson will be 9% of the actual transaction price.

For the fee, Empire will be responsible for all aspects of marketing, writing the advertising, advertising worldwide on the internet and, in print where appropriate. We will promote locally in our territory and manage all leads for the agreed upon consignment period. Empire will also be responsible for invoicing and collecting the payment from the buyer. Empire will pay seller within 48 hours of payment (typically less than 24 hours).

We have five dedicated international salesmen, plus 26 in-territory salesmen that actively and aggressively sell our consignment machines. Our consignment program has been a significant portion of our business for over nine years. Disposing of equipment via Empire Consignment realizes an estimated 10%-15% higher net return over a typical disposal using an auction service.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

#### Caterpillar Response

To see Caterpillar’s full line of heavy equipment, work tools, and services please visit: [www.cat.com](http://www.cat.com)

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### Dealer Response

Please see the list of website links that Empire has provided for the accessories, parts, and supplies offered:

<b>Manufacturer and Dealer</b>	<b>Website</b>
Caterpillar	<a href="http://www.cat.com">www.cat.com</a>
Empire Southwest	<a href="http://www.empire-cat.com">www.empire-cat.com</a>
North America Caterpillar Dealers	<a href="http://www.cat.com/en_US/support/dealer-locator.html">http://www.cat.com/en_US/support/dealer-locator.html</a>
<b>Construction and Mining</b>	<b>Website</b>
Allmand (Light Towers)	<a href="http://www.allmand.com">www.allmand.com</a>
Broce Brooms	<a href="http://www.brocebroom.com">www.brocebroom.com</a>
JLG (Man lifts)	<a href="http://www.jlg.com">www.jlg.com</a>
Mega (Water tanks, Towers and Trailers)	<a href="http://www.megacorpinc.com">www.megacorpinc.com</a>
Genie (Man lifts and Telehandlers)	<a href="http://www.genielift.com">www.genielift.com</a>
Progressive Solar (Solar Power Light Plants)	<a href="http://www.progressivesolarsolutions.com">www.progressivesolarsolutions.com</a>
Multiquip Power	<a href="http://www.multiquip.com">www.multiquip.com</a>
Sullair Air Compressors	<a href="http://www.sullair.com">www.sullair.com</a>
Rockland (Buckets and Dozer Blades)	<a href="http://www.rocklandmfg.com">www.rocklandmfg.com</a>
Paladin (Couplers and Attachments)	<a href="http://www.paladin.com">www.paladin.com</a>
CE Attachments (Attachments)	<a href="http://www.ceattachments.com">www.ceattachments.com</a>
Dymax (Attachments)	<a href="http://www.dymaxinc.com">www.dymaxinc.com</a>
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	<a href="http://www.weilerproducts.com">www.weilerproducts.com</a>
Wain-Roy	<a href="http://www.woodsequipment.com">www.woodsequipment.com</a>
<b>Agriculture</b>	<b>Website</b>
Challenger Tractors	<a href="http://www.challenger-ag.com">www.challenger-ag.com</a>
Massey Ferguson Tractors	<a href="http://www.masseyferguson.com">www.masseyferguson.com</a>
Rome (Construction Grade Discs & Plows)	<a href="http://www.romeplow.com">www.romeplow.com</a>
Woods (Scrapers and Mowers)	<a href="http://www.woodsequipment.com">www.woodsequipment.com</a>
Gearmore (Attachments)	<a href="http://www.gearmore.com">www.gearmore.com</a>
Reynolds (Scrapers)	<a href="http://www.reynoldsinternational.com">www.reynoldsinternational.com</a>
TG Schmeiser (Box blades, land levelers)	<a href="http://www.tgschmeiser.com">www.tgschmeiser.com</a>
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	<a href="http://www.wilcoxap.com">www.wilcoxap.com</a>
<b>On Road Industrial</b>	<b>Website</b>
Fuso Trucks	<a href="http://www.mitfuso.com">www.mitfuso.com</a>
Mac Trailers	<a href="http://www.mactrailers.com">www.mactrailers.com</a>
Maintainer (Service Bodies)	<a href="http://www.maintainer.com">www.maintainer.com</a>
Murray Trailers (Heavy Haul)	<a href="http://www.murrytrailer.com">www.murrytrailer.com</a>
Trail King (Small to Heavy Haul)	<a href="http://www.trailking.com/trailers">www.trailking.com/trailers</a>
UTB (Service Bodies)	<a href="http://www.unitedtruckbodies.com">www.unitedtruckbodies.com</a>
Fleming Trailers	<a href="http://www.flemingtrailers.com">www.flemingtrailers.com</a>
<b>Technology</b>	<b>Website</b>
Spectra Precision (Survey Instruments)	<a href="http://www.spectraprecision.com">www.spectraprecision.com</a>
Trimble (2D and 3D Grading Systems)	<a href="http://www.trimble.com">www.trimble.com</a>
Accugrade (Caterpillar Grade Control)	<a href="http://www.Caterpillar.com/en">www.Caterpillar.com/en</a>
Seco (Surveying and Site Prep)	<a href="http://www.surveying.com">www.surveying.com</a>
Laserline (Laser Controls)	<a href="http://www.laserlinemfg.com">www.laserlinemfg.com</a>
Apache (Grade Control, GPS and Lasers)	<a href="http://www.apache-laser.com">www.apache-laser.com</a>
Level Best (Laser Grading Box)	<a href="http://www.level-best.com">www.level-best.com</a>

6. Do you offer color choices for each product listed?

Caterpillar Response (only)

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

## **Dealer Response**

### **Empire/Caterpillar Warranty Offerings:**

Caterpillar offers a wide range of warranties that can be custom built to best match the needs of our customers. There are two (2) basic Caterpillar warranties available: Standard and Extended

- **Caterpillar Standard Warranty** - All new Caterpillar manufactured machines come with Caterpillar's "Premier" warranty for 12 months, with unlimited hours, at no additional cost to the buyer. (See warranty details below under "Caterpillar Extended Warranty".)
- **Caterpillar Extended Warranty** – Begins at expiration of Standard Warranty. Caterpillar Insurance and Caterpillar dealers provide a vast array of optional warranties that can be customized by the length of time (from 2 - 7 years) and/or by the hours (2,000 - 10,000 hours).

There are three (3) types of extended warranties available from Caterpillar:

- **Powertrain Only** – Covers the components that are used to either produce, transmit or control engine horsepower for propelling (moving) the machine; such as engine, transmission, final drives, axles, and brakes.
- **Powertrain and Hydraulics** – Covers all the items above plus hydraulic hoses, lines, pumps, valves, cylinders, hydraulic coolers, and hydraulic filter mounts.
- **Premier** – Includes all of the above with the addition of starters, alternators, pulleys, AC condensers, air conditioning compressors, fuel lines, fuel tanks and associated parts, water piping, radiators, mufflers, electrical indicators, gauges, instruments, wiring harness, switches, joysticks, relays, circuit breakers, frames and chassis, and weldments.

## **General Warranty Information**

### **Coverage - Inclusions, Exclusions**

Standard machine warranty and extended warranties between manufacturers and dealers are not equal. There is no industry standard of items "to be included or excluded" in the scope of either coverage.

Repairs and/or replacement of components excluded by competitive manufacturers can present a significant expense or savings to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products, as well as ensuring the lowest total cost solution for our customers.

Warranted claims will be presented by the customers to the supporting Caterpillar Dealer and will be administered at the local level. Empire will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customers.

Caterpillar machine warranties are the most comprehensive, covering more parts, more expensive parts, and excluding fewer items, in the industry. This results in lower expense exposure to the owners of Caterpillar equipment.

In comparing major manufacturers' stated warranty coverage listed in publicly available warranty documents, here is an example of parts (including their replacement labor) that are excluded by many manufacturers, but are included by Caterpillar Standard Warranty:

- Radiators
- Mufflers
- Starters
- Alternators
- AC Condenser/Compressor
- Fuel lines
- Hydraulic hoses and lines
- Gauges
- Wiring harnesses
- Frames and structures

Each of these individual items vary between different manufacturers, but they provide evidence that a buyer should consider the coverage of each to fully understand the true scope of their exposure, and calculate that exposure into the total machine price, from an operating cost perspective.

Beyond the firm boundaries of inclusions and exclusions of warranty, Caterpillar dealers utilize a "Fair Value" policy. Fair value is simply the process and procedures that rely on ethical and reasonable decisions to participate in a repair expense beyond warranty coverage. Fair value rules are not described in any written form; they take place when a Caterpillar Dealer and end user experience an event where both feel that the failed part did not meet expected life in a given application.

Once misapplication, abuse or misuse conditions are excluded, fair value reimbursement comes in a variety of forms: From full reimbursement to a shared expense, based on remaining normal life of the failed part, between Caterpillar Inc., Empire and the customers.

Additionally, Caterpillar warranties cover consequential damages. Some major and most minor brands do not. Example: A turbo fails, injects a part from the turbo into the cylinder head, and then destroys the head and piston; piston fracture penetrates the engine block. The turbo is the root cause, but Caterpillar warranty covers the entire repair of consequential damages.

View below to see the inclusions and exclusions of each of the three types of warranties Caterpillar offers:

- ✓ Represents covered items in their respective category
- \*\* Represents items typically excluded by most other manufacturer's warranties, but are included under Caterpillar's warranty coverage.

Engine & Accessories	Powertrain	Powertrain + Hydraulics	Premier
Engine – Internal Components	✓	✓	✓
Valve Cover	✓	✓	✓
Oil Cooler BHL	✓	✓	✓
Radiator			✓
Exhaust/Muffler			✓
Manifolds	✓	✓	✓
Fan Motor	✓	✓	✓
Water Pump	✓	✓	✓
Fuel Injection Pumps	✓	✓	✓
Injectors	✓	✓	✓
Lift/Transfer Pump	✓	✓	✓
Senders/Solenoids/Sensors	✓	✓	✓
Thermostat	✓	✓	✓
Flywheel & Torque Converter	✓	✓	✓
Oil Pan Group	✓	✓	✓
Engine Oil Filter Mount **	✓	✓	✓
Turbocharger	✓	✓	✓
Pulleys **	✓	✓	✓
Starter			✓
Alternator			✓
AC Compressor/Condenser			✓
Electronic Control Modules	✓	✓	✓
Governor/Speed Controls & Linkages **	✓	✓	✓
Fuel Lines **	✓	✓	✓
Fuel Tank & Associated Parts			✓
Water Piping			✓
Oil Hoses/Lines			✓
Transmission/Hydrostatic/Driveline	Powertrain	Powertrain + Hydraulics	Premier
Transmissions	✓	✓	✓
Final Drives/Planetary	✓	✓	✓
Drive Shafts	✓	✓	✓
Transfer Case	✓	✓	✓
Wet brake assemblies	✓	✓	✓
Hydrostatic Pumps & Drive Motors **		✓	✓
Linkage/Lines Connected to Hystat Pump **		✓	✓
Drive (pilot/eh) Control Valves **	✓	✓	✓
Senders/Sensors **		✓	✓



Axles	Powertrain	Powertrain + Hydraulics	Premier
Axles	✓	✓	✓
Axle Seals **	✓	✓	✓
Lug Nuts & Bolts **	✓	✓	✓
Differentials	Powertrain	Powertrain + Hydraulics	Premier
Differentials	✓	✓	✓
Hydraulic Systems	Powertrain	Powertrain + Hydraulics	Premier
Hydraulic Pumps & Motors		✓	✓
Hydraulic Cylinders		✓	✓
Hydraulic Valves & Controls		✓	✓
Hydraulic Accumulators **		✓	✓
Hydraulic Oil Coolers **		✓	✓
Hoses and Lines **		✓	✓
Hydraulic Quick Couplers **		✓	✓
Hydraulic Oil Filter Mounts **		✓	✓
Electrical	Powertrain	Powertrain + Hydraulics	Premier
Gauges/Indicators/Instruments **			✓
Wiring harnesses **			✓
Switches **			✓
Frames & Linkages	Powertrain	Powertrain + Hydraulics	Premier
Chassis/Implement Frames **			✓
Weldment **			✓

#### Allied Product Warranty:

Allied products are excluded from the above terms and conditions. All Allied products will be sold with the manufacturer's standard warranty. This warranty differs from manufacturer to manufacturer. If extended warranty is available and the City of Tucson requests extended options from an Allied manufacturer, Empire will provide the price on a case by case basis.

#### 2. description of your warranty claims procedures.

##### Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

Empire Service utilizes a highly structured, fact based and scientific Root Cause Failure Analysis process that is followed by Empire's Service Department. The process ensures the customer that Empire and Caterpillar fully understand the cause, and what role each affected part played in the failure, in order to help prevent it in the future.

The warranty process for Caterpillar machines is unique to the industry, allowing Empire to decide through its due diligence alone, if the failed part is covered under the scope of warranty. In the event of a warranty repair, Empire is responsible for repairing the machine. Once the repair is completed, the warranted parts and labor is charged to Caterpillar.

Any non-warranty covered items (such as oil antifreeze; fluids that cannot be reused) will be the responsibility of the owner. In the event that Caterpillar concludes a different root cause and believes it was caused by misapplication or misuse and rejects reimbursement, and Empire does not, Empire will absorb the expense.

3. description of your policy addressing warranty issues related to:
  - i. Major Component Failures
  - ii. Engineering Deficiencies
  - iii. Describe your firm's standard response time to address warranty failure issues.

#### **Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering

Deficiencies, and Empire Machinery's standard response time to address warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### **Dealer Response**

As America's #1 dealer rebuild center, Empire inventories new complete components, along with remanufactured components, for replacement when a machine is down and the customer requires an emergency complete component replacement. Beyond Empire's extensive parts inventory, Caterpillar parts distribution warehouses across America and the globe also inventory an extensive selection of new components and remanufactured components.

Excluding emergency complete component replacement, Empire will bring to bear as many resources as possible to tear down and reassemble the down component, to return the machine to production as fast as humanly possible. This includes our staff working three shifts and/or weekends continuously or "around the clock" to achieve the turnaround if warranted. Normal warranty coverage will only cover normal (non-overtime) shop labor rates, during normal service hours. Normal service hours are from 5:00 a.m. to 12:00 midnight, Monday-Friday and from 6:00 a.m. until 12:00 noon on Saturdays.

Overtime rate is charged for all hours worked on holidays. No other competitor that we are aware of provides this expanse of available normal service hours. When requested, Empire will work overtime with the incremental overtime fee charged to the City of Tucson. Normal warranty coverage only includes shop labor rates during normal business hours and thus could result in overtime charges to the customer. Additionally, parts that are not normally stocked may include a customer charge for additional freight or handling, depending on circumstances.

Engineering Deficiencies: Empire and our customers benefit from a long relationship with Caterpillar Engineering for new machines and product improvement testing. Because of our unique Arizona/Imperial County, California and territory, Caterpillar engineers prefer to test new machines and product improvements in Empire's territory because of the range and access to high ambient temperature, high altitude, sea level altitude, abrasive dust, hard caliche and granites soil and sand (dune) conditions. Our applications range from farming to forestry harvesting, to hard rock mining.

This multi-decade experience has provided Empire staff with a wealth of knowledge, experience, relationships and access to Caterpillar's engineering staff around the world. It has provided our customers with purpose-built machines and components tested here to perform here. This experience helps our staff identify a deficiency, quickly begin to test our possible solution, and offer it to Caterpillar; or fabricate, install and test Caterpillar's solutions.

Empire's standard response times are based on the fact that our customer purchases a new machine because unscheduled downtime creates critical disruption to their production. Most customers expect that we will handle every machine-down warranty event like an emergency. We are "built for it". Empire invests and maintains the staffing capacity to provide

customers two shifts per day, plus single shift on weekends and on-call staff for holidays to respond to these events with the utmost urgency.

Beyond this, a failure on Empire's part to deliver expected or promised service is always taken into account before any request for additional charges are presented to a customer. We take pride in the fact that Empire's owners expect all employees to consider first how we may have contributed to increasing a customer's expense or downtime. We are empowered, at all levels, to make ethical and fair charge adjustments before approaching a customer about additional expense to warranty coverage.

- c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

**Caterpillar Response**

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

For all support related to this contract, please contact:

Clinton Swapp	Ty Robertson
Sales Account Manager	Product Support Sales Representative
7600 S. Nogales Hwy.	7600 S. Nogales Hwy.
Tucson, AZ 85756	Tucson, AZ 85756
Office: 520-746-8213	Office: 520-746-8226
Cell: 520-240-8213	Cell: 520-269-1171
Email: Clinton.Swapp@empire-cat.com	Email: Ty.Robertson@empire-cat.com

- d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

**Caterpillar Response**

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs

associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

With over 360 different Caterpillar products covered in this solicitation, and with over 65 different options for each of those machines with time and hour combinations, the matrix of extended warranty pricing would be too large to provide in this format.

Additionally, because of the competitive exposure, we are not at liberty to provide for public record, all of Caterpillar Insurance Extended Warranty pricing. For this proposal, we will provide requested rates on a model-by-model, term and hour specified basis.

- e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

#### **Caterpillar Response**

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

Empire's technical resource group (similar to all Caterpillar dealers) has been engaged with Caterpillar engineers throughout the development of Tier 1, Tier 2, Tier 3, Tier 4i and Tier 4 Final since the Federal regulations were implemented.

Empire's (and our customers') ongoing participation of Caterpillar "Field Follow" program of prototype machines operated by customers in our territory, provides Empire both a first look and a wealth of experience in service support before production machines are ever produced for sale or delivered to a customer. Additionally, Caterpillar offers remanufactured exchange filters and Empire stocks them.

As of this submittal, it is becoming more apparent that exchange emission filters available from our parts department are faster, safer, more environmentally responsible and more economical for the customer than the other option of maintaining a DPF cleaning machine at our dealership stores. For redundant support, Empire owns and operates a DPF cleaning machine in our Phoenix store in the event of an unexpected supply disruption from Caterpillar.

Along with the above service capacity, Empire provides on-line information, updated regularly, for the City of Tucson managers, supervisors and operators to help them understand how the technology works. Tips and warnings are constantly updated to help our customers stay informed and reduce the risk of emissions solutions damage. Empire requires continuing education for our Sales and Product Support staff as an incremental resource that helps customers stay informed. Our operator trainer staff is always available to our customers for on-the-job operator education of the technology.

- f. Submit all information that will aid the City in evaluating your proposal

**Caterpillar Response** (only)

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

<http://www.caterpillar.com/en/company/sustainability.html>

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

*INTENTIONALLY LEFT BLANK*

Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html)

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html)

[http://www.cat.com/en\\_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html](http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html)

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations



- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the “Top 50 Employers” list in Women Engineer Magazine
- Caterpillar Named One of Fortune’s World’s Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand’s 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc’s Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina’s Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE’s World’s Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine’s list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the “Top 50 Employers” list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council
- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor’s Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World’s Most Ethical Companies
- Newsweek Green Rankings ranks Caterpillar 72<sup>nd</sup> out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19<sup>th</sup> Annual “Top 50 Employers” list in Women Engineer magazine

4) Service

- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

**Caterpillar Response** (only)

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

**Caterpillar Response**

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing

requirements. As a commitment to servicing our customers, Cat dealers invest over \$75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.



Image 2: US Dealer Locations

#### **Dealer Response**

All 22 Empire stores are capable of warranty service and have trained technicians to support warranty.

For very large components, some remote branch stores may not have the heavy lifting infrastructure or highly specialized machining tools to complete every job. Those components may be shipped to the closest Empire facility that can complete the work. All such transportation will be handled by Empire internally.

EMPIRE LOCATIONS	TELEPHONE	ADDRESS	
Apache Junction	480-308-9100	3215 S. Winchester Rd.	85119
Blythe	760-921-9500	190 S. Intake Blvd.	92225
Buckeye	623-925-3020	26403 MC 85 Buckeye	85326
Buckeye	623-474-0840	25630 W. Durango St.	85326
Casa Grande	520-374-3500	8901 W. Highway 287	85194
Deer Valley	623-760-1100	21230 N. Black Canyon Hwy., Phoenix	85027
Eloy	520-582-2900	3501 W. Houser Rd.	85131
Flagstaff	928-526-2800	4900 E. Empire Ave.	86004
Globe	928-402-6410	190 W. Ash St.	85501
Imperial	760-355-2443	3393 Highway 86	92251
Kingman	928-757-1159	3255 E. Rutherford Dr.	86409
Mesa	480-633-4000	1725 S. Country Club Dr.	85210
Mesa	480-633-4421	256 W. Juanita Ave.	85210
Nogales	520-287-6630	350 N. Mariposa Rd.	85621
Peoria	632-707-1700	9802 N. 91 <sup>st</sup> Ave.	85345
Phoenix	602-333-5600	801 N. 44 <sup>th</sup> Ave.	85009
Phoenix	602-627-5700	840 N. 43 <sup>rd</sup> Ave., Phoenix	85009
Prescott	928-499-6001	3060 Centerpointe East Dr.	86301
Safford	928-387-8700	444 W. Old Country Club Rd.	85546
Show Low	928-532-2098	1501 E. Thornton St.	85901
Tucson	520-746-8200	7600 S. Nogales Hwy	85756
Tucson	520-407-3100	3830 N. Highway Dr.	85705
Yuma	928-317-7800	3885 E. Gila Ridge Rd.	85365



Image: Empire locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

#### Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### Dealer Response

As described in Caterpillar's response, Empire and other CAT Dealers can customize maintenance programs to fit the specific needs of our customers.

The pricing for maintenance services explained below can vary based on the model, hours of usage, and duration of agreement, and can be quoted on an individual basis.

The following are some examples of the different maintenance agreements that are available:

- PM (Preventative Maintenance) Services

PM services are broken into five (5) categories and follow the manufacturer's service recommendations, or can be customized to meet customers' needs.

- PM1 – Services the manufacturer recommends at 250 hours
- PM2 – Services the manufacturer recommends at 500 hours
- PM3 – Services the manufacturer recommends at 1,000 hours
- PM4 – Services the manufacturer recommends at 2,000 hours
- PM5 – Services the manufacturer recommends at 4,000 hours

Empire and participating dealers can offer different options for these hour intervals including:

- Parts only agreements
- Parts and fluids only agreements
- Parts, fluids, and labor agreements

Please see generalized chart below for the services performed at each PM interval.

	PM1	PM2	PM3	PM4	PM5
	250 hours	500 hours	1000 hours	2000 hours	4000 hours
Change Engine Oil, Engine Oil Filters and take engine oil sample	x	x	x	x	x
Speed Reducer Oil Gets Changed and Sampled (On Elevator Scrapers)	x	x	x	x	x
Check all fluids levels such as Transmissions, Differentials, Tandems, Hydraulic, Steering, Coolant.	x	x	x	x	x
Change fuel filters and fuel /water separators, clean fuel bowl screen (replace if neccessary)	x	x	x	x	x
Change Primary Air Filters	x	x	x	x	x
Check Coolant Condition - Freeze point	x	x	x	x	x
Perform and record a visual walk around of equipment as per OEM including but not limited to Back up alarm, tires, batteries, belts, ground engaging tools (cutting edges, bucket teeth, dozer blade, Moe board, buckets, bowl (can), ripper shanks)	x	x	x	x	x
Change cab A/C filters	x	x	x	x	x
Lubricate all grease points	x	x	x	x	x
Inspect and test all visible and safety systems	x	x	x	x	x
Change all filters this includes hydraulic filters, transmission filters, differentials filters if applicable.		x	x	x	x
Change rear differential oil (Backhoe Loaders oly on A-D Models)		x	x	x	x
Change front wheel oils in off highway trucks.		x	x	x	x
Change the Transmission oils, clean transmission screens and magnetic			x	x	x
Change swing drives oils on excavators , change differential and finals oils on backhoes.			x	x	x
Change hydraulic oils on AG tractors, telehandlers, vibratory compactors only, change chain case oils on skid steer loaders.			x	x	x
Change circle drive oil on motor graders			x	x	x
Change the differential and finals oils				x	x
Change tandem oil drive oils on motor graders				x	x
Change circle drive oils on motor graders accoding to OEM				x	x
Change hydraulic system oil.					x

- **Total Maintenance and Repair (TM&R):**

In a TM&R agreement, Empire and participating dealers will completely cover the equipment for any agreed upon repairs and preventative maintenance services for the duration of time and usage hours as specified by the agreement, based on the customers' needs.

TM&R's can be customized by the customer, including the following:

- With/without travel
- With/without scheduled component rebuilds

- Powertrain & Hydraulics
- With/without certain PM services
- With/without daily maintenance & cleanings
- With/without daily fueling

Exclusions in most cases include the following:

- Tires
- Glass
- Fuel
- GET replacement
- Components that contact the ground (bucket, blade, bed, bowl, etc.)
- Misuse and abuse
- Paint
- Any repairs due to customer not following the Original Manufacturer's Manual (OMM).

- **Man on Site Agreement:**

This type of an agreement can be offered on a stand-alone basis or in conjunction with other maintenance agreements for any customer that does not have the qualified staff/technician(s) or, is unable to add them.

Empire and participating dealers will provide a “man on site” for any duration of usage hours and time: Day, week, month, as specified by the agreement.

The technician will usually perform:

- Running repairs
- Preventative maintenance services

Other onsite services could include:

- Daily inspections
- Cleanings
- Operational checks

The “man on site” agreement includes a qualified technician, field service truck, and the tools needed to perform basic repairs.

Additional “man on site” Inclusions or exclusions in most cases include the following:

- Housing (when applicable)
- Overtime rates



- Unique equipment tooling costs: Large cranes, cribbing, certified shops, contamination control, etc.
- Percentage of guaranteed availability

- **Daily Fuel and Lube Agreement**

Empire, and participating dealers can provide daily fueling and grease to any machine at any of the City of Tucson sites, for any duration of time and/or usage hours to the specified needs of our customers.

Inclusions and exclusions in most cases include:

- With/Without daily cleanings.
- With/without daily inspections

We do not provide loaner machines. Empire will provide a down machine rental discount program (see details below).

For dealers representing any brand, contractual loaner guarantees have an incalculable financial risk. No dealer can guarantee 100% of the time that they will have a like-kind machine available and ready at any given moment.

But, this deserves more explanation:

Our highly valued relationship with the City of Tucson demands we consider loaners in certain circumstances. However, that decision must remain solely at Empire's discretion and it will be one of several possible solutions for a down machine that creates a critical hardship.

At a minimum, Empire will provide a subsidized rental machine that is either an exact match or based on the City of Tucson's input, adequately sized unit at a 50% discount from Empire's rental rate. The City of Tucson will be responsible for the normal rental wear items associated with a rental for the duration of time the down machine is under warranty.

Additionally, if a down machine is causing a hardship to the City of Tucson from a habitual issue that Empire has not yet solved, the probability is high that Empire will provide a loaner at no cost to the City of Tucson, other than wear items. But again, that decision must remain solely with Empire.

Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in Empire's territory to reduce down time and increase productivity.

Empire only employs trained, experienced technicians to support Caterpillar's full range of products. Empire Technical Communicators (TC) provide additional support to field/shop technicians to aid in rapid product or application issue resolutions. Empire TC's have a direct line of communication with Caterpillar Inc., through the Dealer Solution Network, to expedite problem solving.

Empire currently employs over 1,600 employees, of which approximately 73% are dedicated to product support. With over 22 service locations, over 170 service bays and over 290 field service trucks, these highly skilled and trained Caterpillar trained



technicians are in close proximity to provide unmatched service capabilities to meet your service requirements.

As part of a commitment to servicing customers, Empire invests nearly \$3 million annually in technician, parts counter, and product support representative training. Over the last 65 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry, through a financially healthy and viable company that is dedicated to the business of our customers.

4. Describe your training programs, addressing, at a minimum, the following:
  - i. How will equipment training be conducted?
  - ii. Describe the training curriculum for the equipment operators.
  - iii. Describe the training curriculum for the service technicians.
  - iv. How will you accommodate various work shifts?
  - v. What type of documentation is provided with the proposed training?
  - vi. Is a “train the trainer” program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
  - vii. Is the training provided by the manufacturer, dealer or both?

#### **Caterpillar Response**

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: [http://www.cat.com/en\\_US/support/operations/cat-training.html](http://www.cat.com/en_US/support/operations/cat-training.html)

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### **Dealer Response**

- i. How will equipment training be conducted?

Empire will travel to whatever organization site the City of Tucson requests, to provide both operator and preventative maintenance training.
- ii. Describe the training curriculum for the equipment operators.

Empire offers comprehensive operator training for all Caterpillar machines by our Certified Dealer Instructors (CDI). CDI's are dedicated full time to this process. CDI's are Caterpillar Certified on various applications for individual machine groups. Empire does not depend on a service technician or machine

salesman to provide this critical task. CDI's begin the ownership experience by providing customers the most thorough "in-service" training and orientation in the industry. This service is provided at delivery of ALL new Caterpillar machines.

The operator training includes complete machine walk-around inspections, discussion regarding daily maintenance/checklists and hands-on operational instruction, along with comprehensive coverage of the Operations & Maintenance Manual. Proper operator understanding is a significant advantage to help reduce the operating cost per hour of the machine life cycle.

The orientation will cover the following:

- Coverage of the Operation and Maintenance Manual
- Hands on demonstration of all wet and dry fluid and filter locations and compartments
- All safety decals and their meaning along with examples of incidents
- All machine controls, functions, features
- Live demonstration (where site allows) of machine reaction to control inputs
- Review common operator misuse or abuse habits and resulting damages (i.e. damaging parking brakes)

Additionally, our Operator Training Department permanently staffs a Training Manager with seven Certified Dealer Instructors traveling throughout Arizona, performing new machine delivery training, certified training and refresher courses along with analyzing production improvements for in-specific applications when requested.

Empire provides this for both public and private customers, for an additional charge, when requested.

**iii. Describe the training curriculum for the service technicians.**

Our service delivery training begins with Safety. Our instructor will cover all the safety decals and their explanation of why, as it's described in the Operation & Maintenance Manual. The following is an outline and agenda for a training session.

Safety: All decals and what they mean along with examples of past events.

Pretest: Caterpillar Safety Test must be passed by all attendees before continuing.

1. Equipment Familiarization
  - a. Walk around inspection
  - b. Daily service points/lubrication
  - c. Cab and controls
  - d. Fundamental techniques
2. Start Up/Shut Down
3. Machine Operation
4. Systems Overview
  - a. Operator's station

- b. Engine
  - c. Electrical system
  - d. Power train
  - e. Implement and steering hydraulic systems
  - f. Auxiliary hydraulic lines
  - g. Thumbs
  - h. Buckets
  - i. Couplers
- 5. Post Test
  - 6. Review Maintenance Section of Operation and Maintenance Manual
    - a. Lubricants and fluids
    - b. Towing
    - c. Review PM checklist and procedures
      - 250 Hour
      - 500 Hour
      - 1000 Hour
      - 2000 Hour

In addition to our Service delivery process, Empire offers a dedicated facility and dedicated full time staff in our Training Institute:

The Empire Training Institute (ETI) is one of five Caterpillar Certified Regional Dealer Learning Centers in North America, and one of just three Caterpillar Certified Applied Failure Analysis training facilities. ETI provides both technical and non-technical training programs for Empire employees, customers and other Caterpillar dealers via instructor-led and web-based training courses.

ETI is a dedicated 36,000 square-foot facility with eight fully equipped classrooms and over 10,000 square feet of shop space. Our experienced staff includes eight Caterpillar certified technical instructors, one soft skills instructor and one safety instructor.

Classes can be scheduled and conducted at the Empire Training Institute facility at Empire's Mesa campus or at customer sites. All training courses utilize "pre and post" testing procedures to measure learning and monitor growth, and students are presented with a certificate upon successful completion.

Training topics include, but are not limited to:

- Safety
- Diesel
- Electrical
- Engines
- Applied Failure Analysis I, II and III
- Hydraulics
- Machinery & Equipment
- MSHA for Experienced Miners
- Powertrain
- Preventative Maintenance
- Air Conditioning for EPA Certification

iv. How will you accommodate various work shifts?

Empire will provide training and accommodate any shift the City of Tucson requires.

v. What type of documentation is provided with the proposed training?

Caterpillar's Delivery Service Record provides a check list that our CDI's follow at machine delivery orientation. Signatures on the form require a City of Tucson representative to confirm the list was reviewed and completed.

vi. Is a "train the trainer" program available?

Yes

Is this training different than the regular initial training?

Yes, the training curriculum is focused on the trainer and how to communicate proper techniques and safety, and why it's important. Initial training is focused on the student.

Can training sessions be recorded for future use by the agency?

Caterpillar does not permit recording, copying or transferring any of copyrighted material, either at our Operator Training Academy or customer sites. Empire maintains Caterpillar's proprietary information and copyright policies.

vii. Is the training provided by the manufacturer, dealer or both?

Both manufacturer and dealer can provide training.

5) Ordering and Invoices

a. Describe your order process.

**Caterpillar Response**

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Machine invoices will be generated after receipt of a City of Tucson purchase order at Empire.

The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order

- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from Empire to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice.

Terms of our invoices are available at: [www.empire-cat.com/sales serviceterms](http://www.empire-cat.com/sales serviceterms)

- b. How do agencies work with your firm to determine appropriate equipment needs?

#### **Caterpillar Response**

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### **Dealer Response**

Initial contact will begin with our Sales Account Manager. A dealer Account Manager has extensive knowledge and experience in machine and attachment applications can assist the City of Tucson personnel in determining the best options.

Beyond this, the Account Manager will help the City of Tucson staff build a cost/benefit analysis to help illustrate why one machine or attachment was selected over other options. If the Account Manager believes the application question needs additional expertise, he is highly proficient at navigating Empire and supplier resources and bringing their expertise to bear.

Caterpillar has several software resources to help calculate cost per hour and cost per ton of machines, such as FPC or VET, to help users select the best machines, configurations and attachments. The Account Manager will utilize these resources to help the City of Tucson analyze options.

Additionally, if the Account Manager is asked to help research the best machine for an application and he believes that our offering is not optimum, and knows a competitive product or supplier that would be, he will explain why and help coordinate contact with the supplier, if requested by the City of Tucson. We recognize that not all of our offerings are the best and most economical fit for some applications and will readily explain so when we are asked to be part of the best solution analysis.

- c. Describe the equipment delivery process and your delivery commitment.

**Caterpillar Response**

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Most products can be sourced from Empire's extensive inventory. Our configurations are based on the optimum feature utilization and most effective cost per hour in Empire's territory. In the past, most City of Tucson units have been custom ordered because of minor configuration differences. We feel that the City of Tucson will benefit from most of the configurations we stock. This benefit is in terms of: Time of delivery, higher potential productivity, and potentially lower operating costs.

In the event we need to order a machine, the manufacturer will provide Empire a "Ready to Ship" (RTS) date. Empire will estimate additional days based on subjective experience with that manufacturer's history of accurate RTS dates. Empire will also add expected freight time. Since there are various events beyond our control such as severe weather, strikes, or U.S. Custom holds at docks, a small percentage of our given delivery times can and do extend. Empire will alert the City of Tucson immediately if we believe a committed delivery date will extend and work out a solution if the need is urgent.

- d. What is your standard equipment delivery timeframes?

**Caterpillar Response**

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

If Empire's configuration is acceptable and we can supply from inventory, we can usually deliver in less than seven calendar days. If it is urgent, we will work nights and weekends to supply a unit sooner. A significant percentage of our deliveries happen in less than three working days from receipt of firm order.

The next source for machine availability is CAT's Product Distribution Centers (PDC). PDC's have their own configurations, but most are very close to the Empire configuration. If a machine from this source has acceptable configurations to the City of Tucson's request, these machines will usually ship within 7 days and arrive at Empire within 14 days.

Additionally, Empire works with nearly every CAT dealer in the United States for trading inventory. We have an excellent reputation of helping other CAT dealers

secure units from our existing inventory and our “on order” inventory. In other words, we give more than we take. These outstanding “chits” help us secure earlier delivery several times a year and can usually arrive within 10 days.

If a unit must be factory ordered, we have no standard delivery time frames. Caterpillar claims 65%+ of their units will be “Ready to Ship” within 12-16 weeks. Allied manufacturers have too many variables to provide relevant estimates here. If Empire is awarded this contract, they will be quoted as needed.

- e. How does your firm communicate order cut off dates to your customers?

**Caterpillar Response**

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

For machines and attachments, the Empire Account Manager, will provide the City of Tucson with RTS estimates upon request.

**Parts – Hours of Operation**

When parts are needed, Empire has been the trusted and tested source to provide them, regardless of the time of day. In a crisis or emergency, Empire has the infrastructure and people in place to provide the parts that others cannot.

- Parts are available 24 hours/7 days a week/365 days a year
- Standard business hours for Empire’s Parts Stores are:

Monday – Friday from 7:00 a.m. – 5:00 p.m.

After hours/emergency parts service is available by calling a store’s main number. (Provided in section 4, subsection 2 under “Dealer Response”) This service is available anytime outside standard business hours. When a call is placed, an Empire parts representative will respond, locate the parts needed, and arrange to meet at the store for pick up.

- f. Identify and describe any exceptions or challenges.

**Caterpillar Response**

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Historically, Empire’s most common challenges in delivery of machines have been due to severe winter weather in the mid-west and U.S. Customs holds for freight shipments at U.S. shipping ports.

With regard to parts, Caterpillar/Empire has experienced challenges when suppliers to Caterpillar of a sub component part fails on hundreds of machines in a short time. A cascade of challenges begin at that point. Usually the manufacturer's parts supply is depleted and because of the unanticipated demand, the supplier cannot ramp up production of the correct part in the normal time most Caterpillar owners have come to expect.

Throughout our 65 year history, we have faced a number of these challenges. Customers want answers. Depending on the severity, it can take a few days to diagnose the root cause before we can begin to respond to repair affected machines.

Because of Arizona's unique geography, high elevations, hard material, and high ambient temperatures, many machine failures can show up in Arizona before the rest of the world experiences them. These events have taught us to maintain a hyper awareness of developing issues. Empire is usually the lead dealer to discover the issue and help Caterpillar (and other dealers) with the solution. These events help our staff stay highly vigilant in providing early identification and developing solutions for our customers.

- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

#### **Caterpillar Response**

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### **Dealer Response**

Empire's website does not provide any machine pricing for this contract. Our website does provide pricing for used machinery and used parts.

Empire Parts store is an online service that allows you to order parts from your computer. Some of the benefits are:

- Order parts anytime 24 hours/7 days a week/365 days a year
- Ability to track your part orders
- Electronic parts book for ALL Caterpillar machines
- Frequent order lists
- Shows available exchange/remanufactured options
- Track outstanding core returns for credits due
- Purchase history



Additional options available from [www.empire-cat.com](http://www.empire-cat.com) are:

- Equipment Management
  - On-Line Fluids Lab (Oil Sample Reports)
    - Track History for each component or machine
    - Custom graphing/charting trends
    - View Empire recommendations
- Vision Link-Vital Machine Operating Information (For machines equipped with Product Link, see below for Product Link details)
  - Asset Utilization
    - Hours
    - Fuel
    - Operation
  - Current Location (Google Maps)
  - Health Watch
    - Fault Codes
    - Fluid Analysis
    - Inspections (Requires Mobile App)
  - Geo Fencing
  - PM Maintenance Tracking
  - Production Tracking (requires additional accessories)
    - Pay Load monitoring
    - Project monitoring
    - Mass haul monitoring
  - Vision Link also allows
    - Customized alerts
      - ✓ Type of alert and who is notified
    - Exporting data
    - Customize groups, sites and projects

Vision Link is the software end of the information from the machine sensor transmitted by Caterpillar Product Link. Product Link will be supplied on all qualifying Caterpillar machines. Along with Product Link hardware, Caterpillar provides three years free subscription.

Product Link can be dealer installed for a nominal fee, on machines that Caterpillar does not supply as standard equipment. Generally, Product Link will be included on medium to large construction class machines. With the exception of backhoes, or skid steers, it will be included on most common machines the City of Tucson is likely to purchase from this contract. By early 2017, we believe every Caterpillar product will come with Product Link from the factory.

#### Technical Assistance and Documentation

Caterpillar Electronic Technician (ET) features:

- Displays parameter status
- Displays active diagnostics

- Clear and view logged diagnostics
- Performs diagnostic tests
- Print reports and diagnostic results
- Perform calibrations
- Displays current totals information, i.e. fuel consumption, operating hours, etc.
- Integration to help files

#### Technical Information, Service Information Systems (SIS)

The following items are available from SIS WEB subscription at no additional charge to the City of Tucson as part of this proposal.

- Applied Failure Analysis
- As Shipped
- Custom Service Information
- Disassembly & Assembly
- Engine News
- Engine Performance Specs
- Engine Tool Guide
- General Service Information
- Kits Information
- Microfiche<sup>1</sup>
- Operation and Maintenance Manual
- Parts Identification
- Safety
- Schematic
- Service Magazine
- Special Instruction
- Specifications
- Systems Operation
- Systems Operation - Fundamentals
- Testing and Adjusting
- Tool Guide
- Tool Operating Manual
- Torque Specifications
- Truck Engine News

Empire Parts Service and Sales Representatives (PSSR) assigned to the City of Tucson will provide training with Caterpillar technical software. Product Support Sales Representatives work closely with all departments and divisions within Empire and will assist the City of Tucson with needs related to product issues and with navigating the Caterpillar product support offerings.

- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

### Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

### Dealer Response

Is electronic invoicing available?

Machine invoices will be generated after receipt of City of Tucson purchase order at Empire. The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order
- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from EMPIRE to agency
- Machine configuration (if requested)\

Machine payments are due 30 days after receipt of invoice. Terms of our invoices are available at: [www.empire-cat.com/sales serviceterms](http://www.empire-cat.com/sales serviceterms)

Is summary invoice available?

Yes

Are there other options on how an agency receives an invoice?

Invoices will be sent by mail, electronically or can be verbally requested for pick up.

Submit sample invoices.

Samples will be included in the attachment section of this RFP.

- Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

### Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory

**Dealer Response**

As described in Caterpillar's response, in most cases working with Empire's Account Manager will alleviate wrong order issues. If Empire receives a purchase order and the quantity or configuration stated is, or seems not to be what was discussed, our Account Manager will attempt to notify both procurement and the user department, if procurement approves.

The vast majority of the time, we solve the issue at this stage. Errors of Empire's making are the responsibility of Empire. If the purchase order, or subsequent instruction in writing, is given by key personnel from the City of Tucson and Empire fails to correctly order the product, Empire will bear the expense of correcting it. If the item is in excess of what was ordered, Empire will remove it. If the item cannot economically be removed and it does not interfere with the production, safety, operator comfort or expose the City of Tucson to additional operational expense, Empire may elect to leave it on the machine at no charge to the City of Tucson.

- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

**Caterpillar Response** (only)

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

- k. Titles- will equipment be provided with proof of registration with the state?

**Caterpillar Response** (only)

Where appropriate, all titles will be provided with proof of registration with the state.

- I. Will each product be delivered free of distributor advertising?

Caterpillar Response (only)

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

- 6) Other

- a. Describe any government rebate programs applicable.

Caterpillar Response (only)

No specific governmental rebate programs are currently available.

**B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to

provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

**CONFIDENTIAL – Request confidential treatment –**

**SEE CONFIDENTIAL CITY OF TUCSON RESPONSE: CATERPILLAR AND EMPIRE MACHINERY**

- 2) Based on your distribution network, explain how freight is calculated.

**Caterpillar Response**

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Freight is calculated in three different manners, depending on model, for Caterpillar:

- **Caterpillar Included in Price:** On most small products Caterpillar defines as BCP, such as Skid Steers, Backhoes, Telehandlers, and Mini Excavators, freight is included in the list price and is not a line item on the price list. Caterpillar dealers have zero control on this process. Caterpillar models handled in this manner are referenced as "FOB Dealer" in the Caterpillar price pages.
- **Caterpillar Managed Freight:** On some regional type models such as medium Excavators, Caterpillar will add the freight to the invoice. Caterpillar dealers have zero control on this process. The cost to Empire, for this particular model, is noted specifically in the Caterpillar price pages.
- **Empire Quoted:** Empire is responsible for the freight from either the factory or the port. Empire utilizes an RFP to quote pricing in advance for each of these models. Five to seven national freight companies compete against each other using this bid system. Empire will use this pricing methodology to determine the freight on each individual model.
- **Allied Products:** Allied freight varies from manufacturer to manufacturer. Some provide managed freight; some quote dealers "FOB" their factory. Empire will provide a written quote from the vendor at time of quotation to recapture these freight costs.

Empire does not "mark-up" or profit from freight. This is a "pass through" expense to the City of Tucson.

- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

**Caterpillar Response**

CONFIDENTIAL – Request confidential treatment –

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

**Dealer Response**

**CONFIDENTIAL – Request confidential treatment –**

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

**Caterpillar Response**

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the “Maximum Price / Minimum Discount” model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer’s incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Above and beyond the discounts stated in the price proposal/discounts section of this RFP, Caterpillar or Allied manufacturers may offer additional discounts beyond the minimum table. These incremental discounts may be short term (seasonal) programs or multiple unit discounts for a single transaction.

Incremental or additional discounts come from cycles of increasing or decreasing demand from the marketplace. If a manufacturer cannot produce the quantities to supply the opportunity, their incremental discounts are usually zero. Conversely, if they are targeting a new product, have over produced, or feel they are losing crucial market share in a region, they may offer dealers a temporary or seasonal additional discount with the intent it will incentivize dealers to stock more, or end users to pull purchases forward.

In the event additional or incremental discounts are available, Empire will pass these discounts on to the City of Tucson when “current” pricing quotes are requested. These quotes will show the contract minimum discount along with any additional or incremental discount and their expiration dates. These incremental discounts are usually labeled as “incentives” and they can have a very short life. Empire will explain to the City of Tucson their origin, amount and termination date.

Occasionally, Empire can negotiate termination extensions when the City of Tucson wants to take advantage of an incremental discount, but requires additional time to secure funding and approval. Empire is compelled to add: “Occasionally” means we are successful at securing extensions fewer times than not.



- 5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response (only)

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response (only)

None available at this time.

- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0 %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

- 8) Will payment be accepted via commercial credit card? ☐ Yes ☒ No
- a. If yes, can commercial payment(s) be made online? ☐ Yes ☐ No
- b. Will a third party be processing the commercial credit card payment(s)?  
☐ Yes ☐ No
- c. If yes, indicate the flat fee per transaction \$\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
- d. If "no" to above, will consideration be given to accept the card? ☒ Yes ☐ No

**Caterpillar Response** (only)

\*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

- 9) Does your firm have a City of Tucson Business License? ☒ Yes ☒ No
- a. If yes, please provide a copy of your City of Tucson Business license.

**Caterpillar Response**

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

A copy of the City of Tucson Business License issued to Empire Southwest LLC (dba Empire Machinery) is included in the attachments section of this RFP.

**C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

**Caterpillar Response** (only)

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

- 2) Describe your dealer network and their role in providing products and services under this contract.

**Caterpillar Response** (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on  
[http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network

brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

**Caterpillar Response**

Nationally, the contract will be managed by:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

**Dealer Response**

For all support related to this contract, please contact:

Clinton Swapp  
Sales Account Manager  
7600 S. Nogales Hwy.  
Tucson, AZ 85756  
Office: 520-746-8213  
Cell: 520-240-8213  
Email: Clinton.Swapp@empire-cat.com

Ty Robertson  
Product Support Sales Representative  
7600 S. Nogales Hwy.  
Tucson, AZ 85756  
Office: 520-746-8226  
Cell: 520-269-1171  
Email: Ty.Robertson@empire-cat.com

- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

**Caterpillar Response**

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

#### **Dealer Response**

##### References:

City of Phoenix

Contact: Bonnie Shockley, Equipment Control Specialist  
2441 S. 22<sup>nd</sup> Ave., Phoenix, AZ 85009  
602-534-2129  
[bonnie.shockley@phoenix.gov](mailto:bonnie.shockley@phoenix.gov)

Maricopa County

Contact: Gidget Vigil, Equipment Manager  
3325 W Durango St. Phoenix, AZ 85009  
602-506-4674  
[gidgetvigil@mail.maricopa.gov](mailto:gidgetvigil@mail.maricopa.gov)

Cochise County

Contact: Ruben Miranda, Internal Services Administrator  
1151 W Hereford Road. Bisbee, AZ 85603  
520-432-8391  
[rmiranda@cochise.az.gov](mailto:rmiranda@cochise.az.gov)

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.

#### **Caterpillar Response** (Only)

- CONFIDENTIAL – Request confidential treatment –

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

#### **Caterpillar Response**

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

### **Dealer Response**

Empire Machinery's response is for Empire's territory only. All CAT dealers employ service personnel, with all levels of experience, but will vary from dealer to dealer.

Empire employs over 540 trained technicians throughout Empire's territory. These technicians are highly trained and the majority have job site experience in all industries including, but not limited to:

- Landfill
- Governmental
- Heavy Construction
- Highway / Road Construction
- Paving
- Mining
- Forestry
- Agriculture
- Power Generation
- Quarries & Aggregates
- Residential Construction
- Recycling

### **Additional Services Information**

Empire Machinery provides the largest investment of any competitor in the following areas.

Service: Empire provides the largest number of both shop and field technicians in the State of Arizona. From the best data we can gather, we have more staff in each of the service areas than all of our competitive vendors combined.

Empire Service Capacity Statistics (statewide):

- Field Service Technicians: 190+
- Service Trucks: 300+
- In Shop Technicians: 330+
- Technical Communicators: 13
- Service Managers: 27+ (all former shop or field technicians)
- 90 Shop Leadspersons
- 40+ Welders
- Average length of time in Service for all technicians: 10.5 years
- Many technicians in EMPIRE's stores have over 25 years' experience for other technicians to draw from

Years of experience in service staff are important to the customer. One of the highest costs of Ownership and Operating (O&O) costs is downtime. The faster a vendor can dispatch and arrive at a down machine (based on truck fleet capacity), trouble shoot the problem (based on experience, access to information or additional expertise), select and confer repair options with the customer, repair the machine (based on truck tool box capacity), only then can the absolute lowest expense be achieved, returning the machine to production.

It is difficult to quantify savings from assessing truck capacity and capability when trying to compare one vendor to another. The parts and labor expense in the cost of a work order are easier to compare and tend to be what receives focus rather than the difficult task to determine downtime expense or savings. The primary mission, and Empire's extensive investment in our Parts and Service Departments, is focused on reducing downtime expenses while being as efficient as possible.

### **Value Added Support Services**

The ability of the local dealer to provide value added support services is an important consideration in the purchase of heavy equipment. Empire provides many of these value added services to reduce the operating cost and risk of machine ownership.

The following is a summary of Empire's value added services:

- Tractor Machining – With tremendous capacity for component restoration and repair, reuse and rebuild of machine components (ISO9000/2001 Certified)
- Empire Hydraulic Service – Operating multiple shifts and capable of full service for all hydraulic brands (ISO/9000/2001 Certified)
- Empire Transport – Heavy haul with a fleet of 60 trucks and capable of hauling loads up to 180,000 lbs. in the event of any emergency
- Empire Training Institute – Provides both technical and non-technical training programs for EMPIRE employees, customers and other Caterpillar dealers via classroom and web-based training courses
- Technology Products and Services – Sitech Southwest, a wholly owned subsidiary of Jeff Whiteman (CEO of EMPIRE), offering a full range of technology solutions and technology support.
- Wear Analysis – Empire's own laboratory, processing 120,000 samples annually (ISO9001; 2001 Certified). The wear analysis allows a customer to repair a component or tractor before failure.
- In-Shop Services – With multiple shifts, over 400 factory certified technicians and EMPIRE's capability as the largest powertrain rebuild dealer in North America.
- Field Service Capability – 24 hours/7 days availability of over 300 field service trucks, along with EMPIRE's most experienced technicians (12 years average experience)
- Empire Power Systems – Provides turnkey solutions, service and temporary power for data centers, life support systems, telecommunication and construction. Empire also offers reliable, cutting edge solar solutions to commercial customers.

- 7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

### **Caterpillar Response (only)**

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives

efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.



## PROPOSAL EVALUATION REQUIREMENTS

### A. Method of Approach

#### 1) National Program

- 1) Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

##### Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

#### 2) Distribution Network

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

##### Caterpillar Response

-Confidential-

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

##### Caterpillar Response

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

- c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

#### **Caterpillar Response**

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagamihara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong
RESOURCE INDUSTRIES	
<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet <b>North Carolina:</b> Winston-Salem <b>Pennsylvania:</b> Houston <b>South Carolina:</b> Sumter <b>Tennessee:</b> Dyersburg <b>Texas:</b> Dennison <b>Wisconsin:</b> South Milwaukee	<b>Australia:</b> Beresfield, Burnie <b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou <b>Czech Republic:</b> Ostrava <b>France:</b> Arras <b>Germany:</b> Dortmund, Lunen <b>India:</b> Hosur, Thiruvallur <b>Indonesia:</b> Batam <b>Italy:</b> Jesi <b>Japan:</b> Sagamihara <b>Mexico:</b> Acuña, Monterrey, Reynosa, Torreon <b>Russia:</b> Tosno <b>Thailand:</b> Rayong <b>United Kingdom:</b> Peterlee
ENERGY & TRANSPORTATION	
<b>Alabama:</b> Albertville, Montgomery <b>California:</b> San Diego <b>Georgia:</b> Griffin <b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac <b>Indiana:</b> Lafayette, Muncie <b>Kentucky:</b> Decoursey, Louisville, Mayfield <b>South Carolina:</b> Newberry <b>Texas:</b> Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Australia:</b> Revesby <b>Belgium:</b> Gosselies <b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas <b>China:</b> Tianjin, Wuxi <b>Czech Republic:</b> Zatec <b>Germany:</b> Kiel, Mannheim, Rostock <b>India:</b> Hosur, Aurangabad <b>Mexico:</b> San Luis Potosi, Tijuana <b>Republic of Singapore:</b> Singapore <b>Sweden:</b> Ockero Islands <b>Switzerland:</b> Riazzino <b>United Kingdom:</b> Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled \$9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

**Caterpillar Response**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories.

Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market.

Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

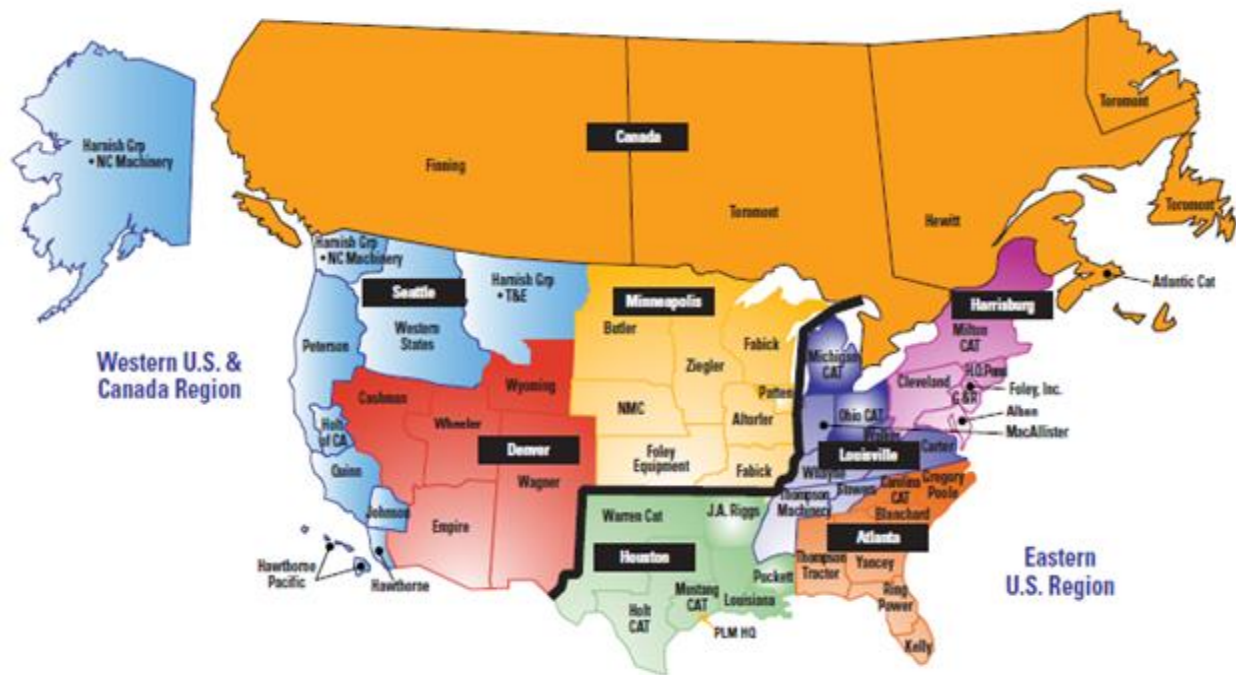


Image 1: North American Dealer Network

3) Product

- a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

**Caterpillar Response**

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

### **Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

### **Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/branded lines of equipment offered by Cat dealers for purchase under this contract.

## **2. Identification and description of sub categories.**

### **Caterpillar Response**

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

[http://www.cat.com/en\\_US/products/new/equipment.html](http://www.cat.com/en_US/products/new/equipment.html)

### **Recycling and Waste**

Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

[http://www.cat.com/en\\_US/products/new/by-industry/waste.html](http://www.cat.com/en_US/products/new/by-industry/waste.html)

### **Construction Equipment**

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development.

This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/construction.html](http://www.cat.com/en_US/products/new/by-industry/construction.html)

### **Technology & Solutions**

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

[http://www.cat.com/en\\_US/support/operations/technology.html](http://www.cat.com/en_US/support/operations/technology.html)

### **Paving**

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/paving.html](http://www.cat.com/en_US/products/new/by-industry/paving.html)

### **Work Tools**

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/attachments.html](http://www.cat.com/en_US/products/new/attachments.html)

### **Other/Miscellaneous/Allied**

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

- Identify accessories, parts, services, etc. that are available through the manufacturer.

#### Caterpillar Response

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over \$1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.



Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

#### **Caterpillar Response**

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

**Caterpillar Response**

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: [www.cat.com](http://www.cat.com)

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

6. Do you offer color choices for each product listed?

**Caterpillar Response**

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

- b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

<u>140M3 Motor Grader</u>	<u>Months</u>	<u>Hours</u>
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2. description of your warranty claims procedures.

**Caterpillar Response**

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3. description of your policy addressing warranty issues related to:

- i. Major Component Failures
- ii. Engineering Deficiencies
- iii. Describe your firm's standard response time to address warranty failure issues.

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering Deficiencies, and Empire Machinery's standard response time to address

warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

**Caterpillar Response**

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

- d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

**Caterpillar Response**

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

- e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

**Caterpillar Response**

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- f. Submit all information that will aid the City in evaluating your proposal

**Caterpillar Response**

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

<http://www.caterpillar.com/en/company/sustainability.html>

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

*INTENTIONALLY LEFT BLANK*

Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html)

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html)

[http://www.cat.com/en\\_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html](http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html)

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations
- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council



- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rankings ranks Caterpillar 72<sup>nd</sup> out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19<sup>th</sup> Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

**Caterpillar Response**

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

#### **Caterpillar Response**

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing requirements. As a commitment to servicing our customers, Cat dealers invest over \$75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

*INTENTIONALLY LEFT BLANK*



Image 2: US Dealer Locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

**Caterpillar Response**

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

4. Describe your training programs, addressing, at a minimum, the following:
  - i. How will equipment training be conducted?
  - ii. Describe the training curriculum for the equipment operators.
  - iii. Describe the training curriculum for the service technicians.
  - iv. How will you accommodate various work shifts?
  - v. What type of documentation is provided with the proposed training?
  - vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
  - vii. Is the training provided by the manufacturer, dealer or both?

### **Caterpillar Response**

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: [http://www.cat.com/en\\_US/support/operations/cat-training.html](http://www.cat.com/en_US/support/operations/cat-training.html)

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

## 5) Ordering and Invoices

### a. Describe your order process.

#### **Caterpillar Response**

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### b. How do agencies work with your firm to determine appropriate equipment needs?

#### **Caterpillar Response**

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- c. Describe the equipment delivery process and your delivery commitment.

**Caterpillar Response**

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- d. What is your standard equipment delivery timeframes?

**Caterpillar Response**

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- e. How does your firm communicate order cut off dates to your customers?

**Caterpillar Response**

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- f. Identify and describe any exceptions or challenges.

**Caterpillar Response**

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

**Caterpillar Response**

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific

a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

**Caterpillar Response**

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

**Caterpillar Response**

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

**Caterpillar Response**

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

- k. Titles- will equipment be provided with proof of registration with the state?

**Caterpillar Response**

Where appropriate, all titles will be provided with proof of registration with the state.

- l. Will each product be delivered free of distributor advertising?

**Caterpillar Response**

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

- 6) Other

- a. Describe any government rebate programs applicable.

**Caterpillar Response**

No specific governmental rebate programs are currently available.

**B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

### **Caterpillar Response**

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 2) Based on your distribution network, explain how freight is calculated.

### **Caterpillar Response**

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.



- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contract. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

**Caterpillar Response**

CONFIDENTIAL – Request confidential treatment –

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

**Caterpillar Response**

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the “Maximum Price / Minimum Discount” model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer’s incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 5) Provide details of and propose additional discounts for volume orders, special manufacturer’s offers, minimum order quantity, free goods program, total annual spend, etc.

**Caterpillar Response**

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the “Maximum Price / Minimum Discount” model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

**Caterpillar Response**

None available at this time.

- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0 %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.
- 8) Will payment be accepted via commercial credit card? Yes X\* No
- a. If yes, can commercial payment(s) be made online? Yes No
  - b. Will a third party be processing the commercial credit card payment(s)? Yes No
  - c. If yes, indicate the flat fee per transaction \$\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
  - d. If "no" to above, will consideration be given to accept the card? X\* Yes No

**Caterpillar Response**

\*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

- 9) Does your firm have a City of Tucson Business License? X Yes X No
- a. If yes, please provide a copy of your City of Tucson Business license.

**Caterpillar Response**

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

**Caterpillar Response**

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

- 2) Describe your dealer network and their role in providing products and services under this contract.

#### **Caterpillar Response**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on  
[http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers

have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

**Caterpillar Response**

Nationally, the contract will be managed by:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

**Caterpillar Response**

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

- CONFIDENTIAL – Request confidential treatment –

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

- 7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

**Caterpillar Response**

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

## **National IPA Exhibit A – National IPA Response for National Cooperative Contract**

### **3. SUPPLIER QUALIFICATIONS**

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

#### **3.1 Company**

##### **A. Brief history and description of your company.**

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy that there are three main partners in our business – Caterpillar, Cat dealers and customers. All three elements must be successful individually for all three to be successful over the long term. It's a symbiotic relationship where all benefit when they all grow together. This success is evident in the fact that many of our dealers are owned by multiple generations of the same family and multiple generations of customers continue to purchase products and services.

##### **B. Total number and location of sales persons employed by your company.**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.



C. Number and location of support centers (if applicable).

Caterpillar products are sold and supported by our authorized dealer network of 49 dealers in the US and 4 in Canada. These dealers are established, independent businesses that understand well the needs of their local customers and communities. These dealers typically have the majority of parts on-hand and the national average for 24-hour availability is 99%. In addition, Caterpillar maintains 10 parts distribution warehouses throughout the country to ensure that almost all parts can reach a customer within 24-48 hours.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than \$400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Each Cat dealer operates in multiple branch locations and uses parts drop boxes and mobile service trucks.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability. Subsection d below expands on some of these capabilities.



Image 1, Caterpillar Dealer Branch Operations

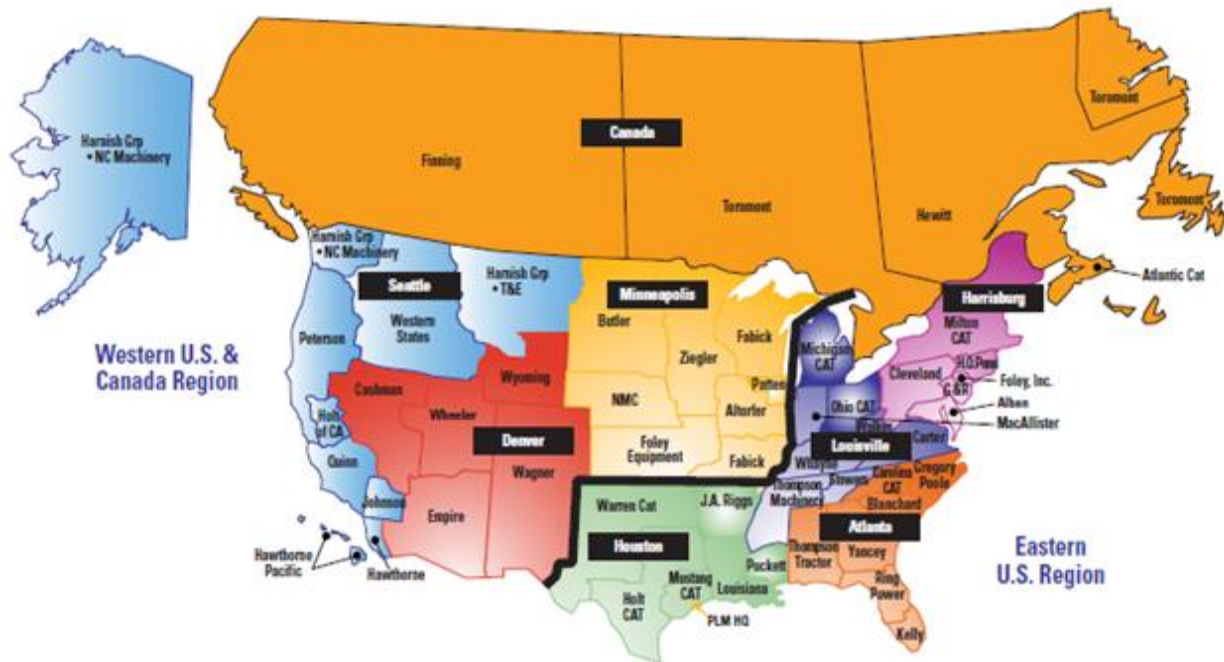


Image 2, Caterpillar North American Dealer Territories

D. Annual sales for the three previous fiscal years.

2013 – \$55.6B

2014 – \$55.1B

2015 - \$47.0B

E. Submit your FEIN and Dunn & Bradstreet report.

Caterpillar's Employee Identification Number is 37-0602744

Please refer to vendor's response section Dunn & Bradstreet

### 3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.

Caterpillar products and services are distributed principally through a worldwide network of independent dealers (dealer network), which includes 49 located in the United States, and 4 in Canada.

See Image 2, above.

- B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

All North American dealers and or their subsidiaries process, handle or ship the products / services to end users. Outside companies are used to transport equipment, but do not assume ownership.

- C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

Segment	U.S. Facilities	Facilities Outside the U.S.
<b>Construction Industries</b>	<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang, Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagami-hara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong

<b>Resource Industries</b>	<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet	<b>Australia:</b> Beresfield, Burnie
	<b>North Carolina:</b> Winston-Salem	<b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou
	<b>Pennsylvania:</b> Houston	<b>Czech Republic:</b> Ostrava
	<b>South Carolina:</b> Sumter	<b>France:</b> Arras
	<b>Tennessee:</b> Dyersburg	<b>Germany:</b> Dortmund, Lunen
	<b>Texas:</b> Denison	<b>India:</b> Hosur, Thiruvallur
	<b>Wisconsin:</b> South Milwaukee	<b>Indonesia:</b> Batam
		<b>Italy:</b> Jesi
		<b>Japan:</b> Sagami-hara
		<b>Mexico:</b> Acuna, Monterrey, Reynosa, Torreon
		<b>Russia:</b> Tosno
		<b>Thailand:</b> Rayong
		<b>United Kingdom:</b> Peterlee
<b>Energy &amp; Transportation</b>	<b>Alabama:</b> Albertville, Montgomery	<b>Australia:</b> Revesby
	<b>California:</b> San Diego	<b>Belgium:</b> Gosselies
	<b>Georgia:</b> Griffin	<b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas
	<b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac	<b>China:</b> Tianjin, Wuxi
	<b>Indiana:</b> Lafayette, Muncie	<b>Czech Republic:</b> Zatec
	<b>Kentucky:</b> Decoursey, Louisville, Mayfield	<b>Germany:</b> Kiel, Mannheim, Rostock
	<b>South Carolina:</b> Newberry	<b>India:</b> Hosur, Aurangabad
	<b>Texas:</b> Channelview, De Soto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Mexico:</b> San Luis Potosi, Tijuana
		<b>Republic of Singapore:</b> Singapore
		<b>Sweden:</b> Ockerö Islands
		<b>Switzerland:</b> Riazzino
		<b>United Kingdom:</b> Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

- D. State any return and restocking policy and fees, if applicable, associated with returns.

N/A

- E. Describe the full line of products and services offered by your company.

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

### **Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

### **Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

### **Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

### **Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Cat dealers as a branded Caterpillar product, or as allied equipment.

In addition to the new machines and power systems mentioned above, Caterpillar dealers also offer a complete line of OEM repair parts, work tools and attachments that are included in our offer.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by all Cat dealers and also included under this contract.

The purchasing of used equipment and the renting of equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

For the purposes of calculating the administrative fees associated with cooperative purchasing, only new Cat equipment sales will qualify as it is impossible for Caterpillar to track and measure sales of parts, service, used, rental, and allied equipment.

### 3.3 Marketing and Sales

- A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
  - i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days.  
Agree.
  - ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

Should Caterpillar be awarded the contract a formal announcement of the award will be made to Caterpillar's field force and Caterpillar's dealer network. We anticipate this first communication to take place within the first 30 days of final award.

Since the roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of end users nationwide.

We will continue to aggressively market the Master Agreement and continue ongoing sales training. The growth rate from the previous contract has been impressive and we have every reason to believe that the trend will continue.

- B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
- i. Creation and distribution of a co-branded press release to trade publications  
Agreed.
  - ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days  
Agreed.
  - iii. Design, publication and distribution of co-branded marketing materials within first 90 days  
Agreed.
  - iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement  
Agreed as calendars and budgets allow.
  - v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.  
Agreed as calendars and budgets allow.
  - vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement  
Agreed as budgets allow.
  - vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)  
Agreed.
  - viii. Dedicated National IPA internet web-based homepage on Supplier website with:
    - National IPA standard logo;
    - Copy of original Request for Proposal;



- Copy of contract and amendments between Principal Procurement Agency and Supplier;
- Summary of Products and pricing;
- Marketing Materials
- Electronic link to National IPA's website including the online registration page;
- A dedicated toll free number and email address for National IPA

Caterpillar internet standards will not allow a dedicated page on our website, however we will be able to make the information above accessible to customers and dealers. We strongly believe that directing customers to the National IPA webpage has an advantage over reproducing the information on our own site. Seeing the breadth and scope of additional contracts adds to the overall credibility of the concept.

Caterpillar has been very successful promoting the National IPA contract since it was first awarded. We intend to continue this promotion strategy. We will continue to work closely with the National IPA account manager and marketing teams to be certain we are working well together to pursue our mutual goal of growing contract sales.

While our marketing budget may prohibit executing some of the activities mentioned above, it is our intention to comply with the spirit of the section.

Additionally, many of our dealers have public websites that provide similar information to the market. The following is an example of Empire Machinery's web link:

<http://www.empire-cat.com/cooperativepurchasing/?terms=city%20of%20Tucson>

- C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

Since roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Cat dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of our customers nationwide.

Caterpillar will encourage dealers and customers to embrace cooperative purchasing and we will ensure that there are no corporate roadblocks to adoption. However, ultimately, the decision to use contracts lies with the public agency itself. Therefore, transitions to the contract will take place at the pace that agencies feel comfortable.



Caterpillar presently holds two cooperative contracts. Those contracts are NJPA Heavy Equipment Contract #032515 and NJPA Alternative Energy / Generators Contract #080613. Caterpillar, through Caterpillar's Defense and Federal Products business unit, currently holds GSA contract #GS30F0018U.

For the purpose of this proposal, Caterpillar's NJPA Heavy Equipment Contract #032515 provides the same product offering and discount structure as is being submitted in this proposal.

- D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

Per corporate brand and legal guidelines, Caterpillar company logos can be used by National IPA pursuant to existing contract.

Caterpillar will request proper permission to use the National IPA logo as well.

- E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
- i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
  - ii. Best government pricing
  - iii. No cost to participate
  - iv. Non-exclusive contract

Should Caterpillar be awarded the contract, Caterpillar ensures that training and marketing materials associated to the Master Agreement will clearly communicate the advantages of the National IPA agreement.

- F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
- i. Key features of Master Agreement
  - ii. Working knowledge of the solicitation process
  - iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
  - iv. Knowledge of benefits of the use of cooperative contracts

Should Caterpillar be awarded the contract, Caterpillar will ensure that training and marketing materials associated with the Master Agreement will continue as described above.

G. Provide contact information for the person(s), who will be responsible for:

- i. Marketing
- ii. Sales
- iii. Sales Support
- iv. Financial Reporting
- v. Contracts

Patty Redpath  
Governmental Sales  
100 NE Adams St, Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

Caterpillar's North American field force is divided into eight districts including Canada. Each district has marketing representatives that are responsible for working with assigned dealers within their service territory. The eight districts are divided into a Western Region and an Eastern Region. Both a Western Region Manager and an Eastern Region Manager report to Brian Foster who serves as the Industry Sales Manager for Americas North.

Brian Foster  
Americas North Sales Manager  
309-675-5181  
FOSTER\_BRIAN\_V@cat.com

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

Through our governmental specialists and the contract manager, Caterpillar will develop training materials along with marketing initiatives specific to the cooperative purchasing model to ensure that dealers are equipped with the necessary tools to present the message to the customer with confidence.

Cat dealer sales representatives have developed relationships with the National IPA sales representatives. As these relationships continue to grow, the results can be expected to grow as well.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set- up, etc.

The contract manager will be the single point of contact for any issues related to supporting, maintaining, and promoting the contract. It will be up to each individual

dealer to identify those customers that would benefit from the program's use and will promote it accordingly.

- K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

- CONFIDENTIAL – Request confidential treatment –

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Caterpillar receives orders and payments from dealers. The equipment then becomes part of a dealer's inventory until sold to a customer. When a public agency decides to purchase a machine through this master contract, Caterpillar will offer additional support to the dealer via our post-sale credit system. The dealer will be required to submit the agency's name, address, member number and purchase amount. Caterpillar has no way to track sales of parts, service, used machines or rentals.

- M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

\$ .00 in year one

\$ .00 in year two

\$ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

Caterpillar will not guarantee a minimum number of sales. Dealers and customers have high level of awareness about the contract. Sales should continue to grow as a result of their satisfaction with the process.

- N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.

- i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
- ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
- iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
- iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

Caterpillar will report sales to National IPA when a customer has requested that the sale take place via the contract. In any other situation Caterpillar will consider the sale a non-contract sale and will not be responsible for any fees.



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting  
Department of Procurement  
Contract Officer  
255 W. Alameda, 6<sup>th</sup> Floor  
Tucson, AZ 85701

Dear Mr. Whiting,

It is with great pleasure that Caterpillar Inc. has been given an opportunity to respond to RFP #161534. We have found that our participation in the previous contract was beneficial to us as a manufacturer, our authorized dealers, and from many positive points of feedback – from governmental customers as well.

As you will see in the following pages, we have structured the response in two parts. The response from Caterpillar Inc., considers the entirety of our US Dealer Network who will be encouraged to use this contract via National IPA. Then for a very specific response to the needs of the City of Tucson, our local authorized dealer, Empire Machinery has added a response to detail their capabilities and commitments.

To facilitate your review of the documents, we have separated these responses into five main sections:

- 1) Questionnaire Responses to the City of Tucson;
- 2) Questionnaire Responses to National IPA;
- 3) Proposed Exceptions;
- 4) Empire Machinery Responses;
- 5) Attachments

If you have any questions during your review of these documents we would be happy to clarify.

We look forward to continuing our relationship with the City of Tucson and National IPA and trust that our submission will not only meet your needs and expectations – but exceed them!

Most sincerely,

A handwritten signature in blue ink that reads "Ann Schreifels".

Ann Schreifels  
Governmental Sales Manager  
[Schreifels\\_ann\\_m@cat.com](mailto:Schreifels_ann_m@cat.com)  
309-338-5976

## OFFER AND ACCEPTANCE

### OFFER

#### TO THE CITY OF TUCSON:

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

Caterpillar Inc. \_\_\_\_\_

Company Name

100 NE Adams St. \_\_\_\_\_

Address

Peoria IL 61629

City State Zip

  
Signature of Person Authorized to Sign

Brian Foster \_\_\_\_\_

Printed Name

North American Sales Manager \_\_\_\_\_

Title

Name: Patty Redpath

Title: Governmental Account Manager

Phone: 309-494-4578

Fax: 309-675-4301

E-mail: redpath\_patty@cat.com

### ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-.

Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation

Awarded this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM  
As Director of Procurement and not personally



# REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON  
DEPARTMENT OF PROCUREMENT  
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701  
P.O. BOX 27210, TUCSON, AZ 85726  
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534  
RFP AMENDMENT NO. ONE (1)  
PAGE NO. 1 OF 1  
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time  
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.  
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

## Heavy Equipment, Parts, Accessories, Supplies and Related Services

### ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

### ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1<sup>st</sup> Floor Conference Room, 255 W. Alameda, Tucson AZ 85701**.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.  
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

  
Signature \_\_\_\_\_ Date 11/11/16  
Ann Schreifels Governmental  
Print Name and Title Sales Manager

Caterpillar Inc  
Company Name \_\_\_\_\_  
100 NE Adams St.  
Address \_\_\_\_\_  
Peoria IL 61629  
City State Zip



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting  
Contract Officer  
City of Tucson  
255 W. Alameda, 6<sup>th</sup> Floor  
Tucson, AZ 85701

Dear Mr. Whiting:

We are very pleased to submit Caterpillar Inc.'s proposal in response to RFP #161534. The attached document outlines our proposed exceptions to the RFP.

With more than 90 years of experience, Caterpillar has the in-depth knowledge and experience to undertake this initiative on behalf of the City of Tucson and complete it effectively. We, along with our dealer, Empire Machinery, appreciate the trust you've placed in us through your past purchases and we hope to continue this valued relationship.

We would be pleased to answer any questions you might have regarding our proposal. Thank you for the opportunity to submit these exceptions for your consideration.

Sincerely,

Ann Schreifels  
Governmental Sales Manager  
[Schreifels\\_ann\\_m@cat.com](mailto:Schreifels_ann_m@cat.com)  
309-266-0471



## Caterpillar Inc. Exceptions

### SCOPE OF WORK

#### A. GENERAL REQUIREMENTS

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer may present the training material shall be presented in a quality suitable for videotaping. Dealer and Contractor~~The City~~ reserves the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.
6. **REPAIRS.** The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in first service. Transport of the vehicle will not be delayed more than one working day from date of notification.

#### B. EQUIPMENT AND PRODUCT REQUIREMENTS:

3. **PRICING:** Offerors shall confidentially provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

#### C. SERVICE REQUIREMENTS

1. b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. City and Dealer will work together to determine the City's loaner equipment requirements and the cost to the city for loaner equipment. For the City of Tuscon see Empire Cat's response. If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.

## INSTRUCTIONS TO OFFERORS

**10. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his or her designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his or her designee, the City shall be deemed to have rejected the proposal or offer in part. The parties may agree to negotiate separate terms where the Director or his or her designee has not accepted a modification. the contract provisions contained in the City's Request for Proposal shall prevail.

**11. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and, subject to Section 12, shall become a matter of public record available for review subsequent to the award notification.

**12. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. ~~Price is not confidential and will not be withheld.~~ If the confidential request is denied, such information shall be disclosed as public information, unless the Offeror submits a formal written objection.

**21. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the applicable Contractor-Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 7914566 or email [at tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

## SPECIAL TERMS AND CONDITIONS

**2. SUBCONTRACTORS:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, City and the Department of Procurement hereby agree that certain obligations of Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

City and Contractor acknowledge that Contractor authorized dealers are independent businesses and as such (a) have the right to choose whether or not to accept the terms and conditions contained herein; and (b) have the right to establish their own specific resale prices and other terms and conditions of sale, none of which will be dictated by Contractor.

~~No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement.~~ All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

4. **INSURANCE:** ~~The Contractor agrees to:~~ For purposes of this Section 4, all references to "Contractor" shall be deemed to be references to "Dealer" alone.
9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the ~~Contractor~~ applicable Dealer as a condition of their intended purchase transaction. If the ~~Contractor-Dealer~~ chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

#### STANDARD TERMS AND CONDITIONS

20. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, ~~its successors, assigns and guarantors,~~ shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, ~~including claims of patent or copyright infringement,~~ damages, losses, reasonable expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnatee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnatee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Contractor or anyone directly or indirectly employed by Contractor or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors. any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.
29. **PAYMENT:** It is the Dealer's discretion whether to accept credit card payments and under what circumstances it will accept credit card payments. It is noted tThe City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases and subject to the foregoing, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

38. **SUBCONTRACTS:** This Section 38 is made subject to the terms of Section 2 of the Special Terms and Conditions of this Contract. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by ~~the City~~any party, with or without cause, upon giving thirty (30) days written notice. ~~The City~~Any party, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. ~~The City~~ will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the reasonable opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the reasonable opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the reasonable opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the reasonable opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will ~~endeavor to~~ notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

## ATTACHMENT A

### EXHIBIT A

#### **1.2 Marketing, Sales and Administrative Support**

Suppliers are required to pay an administrative fee pursuant to Section 10 of Exhibit B, Monthly Reporting & Fees attached to of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

#### **1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the Supplier/local authorized dealer (Contract Sales are reported to National IPA).

### EXHIBIT B

#### **NATIONAL IPA COMPANY ADMINISTRATION AGREEMENT**

##### **TERM OF AGREEMENT**

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Supplier/Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

##### **MONTHLY REPORTING & FEES**

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10<sup>th</sup> day of the following month. On the 10<sup>th</sup> day of the month following the end of each quarter Supplier shall pay an ~~Such reports shall be accompanied by an~~ administrative fee ~~payment~~ in the amount indicated on the report as being due. Administrative fee payments are made for each calendar quarter. The administrative fee is ~~are~~ to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or quarterly payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

#### GENERAL PROVISIONS

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA; provided, however, National IPA understands the nature of Supplier's distribution network and that certain responsibilities may only be fulfilled by an authorized dealer. -



**90** YEARS

WHAT WE'VE  
**BUILT.**

WHAT WE'RE  
**SOLVING.**



WHERE WE'RE  
**HEADED.**



# WHAT WE'VE BUILT.



## A MESSAGE TO SHAREHOLDERS

Caterpillar has designed and built the world's most powerful, innovative and durable machines and engines. Our customers put them to work on projects that support sustainable progress and improved living standards.

DOUG OBERHELMAN  
Chairman & CEO  
Caterpillar Inc.



Caterpillar faced a tough year in 2015, but we have successfully managed through many economic cycles since our founding in 1925. We remain financially strong and because of the actions we're taking I believe we will, as we have in the past, emerge stronger and always able to compete very effectively around the world. We continue to manage what we can control today while also investing in our future.

### What We've Built

Since our first days as a company, Caterpillar has designed and built the world's most powerful, innovative and durable machines and engines. Our customers put them to work on projects that support sustainable progress and improved living standards. We add value for our customers by helping them achieve the lowest owning and operating costs through our sales and service network that reaches every corner of the globe.

Even in this environment, our market share for machines increased for the fifth year in a row. Our product quality continues to improve and is as strong as I've ever seen it. Our safety record improved again in 2015. As we further deploy Lean, we've already seen improvements in warranty and an up-to-95 percent reduction in internal defects per unit, and we anticipate substantial further improvements.

### Where We're Headed and What We're Solving

Through Across the Table, we're strengthening our expectations of Cat dealers and the Caterpillar teams that support them. There are about a dozen specific projects underway – everything from expanded e-business to digital technology solutions connecting our machines and engines to our customers.

Digital transformation is a reality for our industry, and we're applying advanced analytics and digital-driven technologies – like Cat® Connect and MineStar™ – to improve worksite efficiency across our equipment and other brands, too. We also offer our customers Job Site Solutions, a true collaborative effort focused on improving job site efficiency. We're focused on using less fuel, increasing productivity and creating a safer work environment.

These are a few examples of how sustainability doesn't ever go out of style or focus at Caterpillar. Another is that our products – like distributed power systems, which improve energy access while emitting fewer greenhouse gases than traditional power grid systems – bring traditional, renewable and alternative energy options to urban, rural and remote communities across the world.

In 2015, we joined an effort to emphasize the vital role that restoration of natural infrastructure – forest, prairies, farmlands, wetlands and coastal landscapes – plays in sustainable global development. Additionally, we have been remanufacturing our products for more than 40 years, returning them to same-as-when-new condition, and conserving natural resources.

Caterpillar also supports the Caterpillar Foundation, which has invested more than \$600 million since 1952 to transform lives and alleviate the root causes of poverty.

We were also honored to receive the "Vision for America" award from Keep America Beautiful in 2015 – a recognition for our sustainability commitment and significant progress toward aggressive sustainability goals.

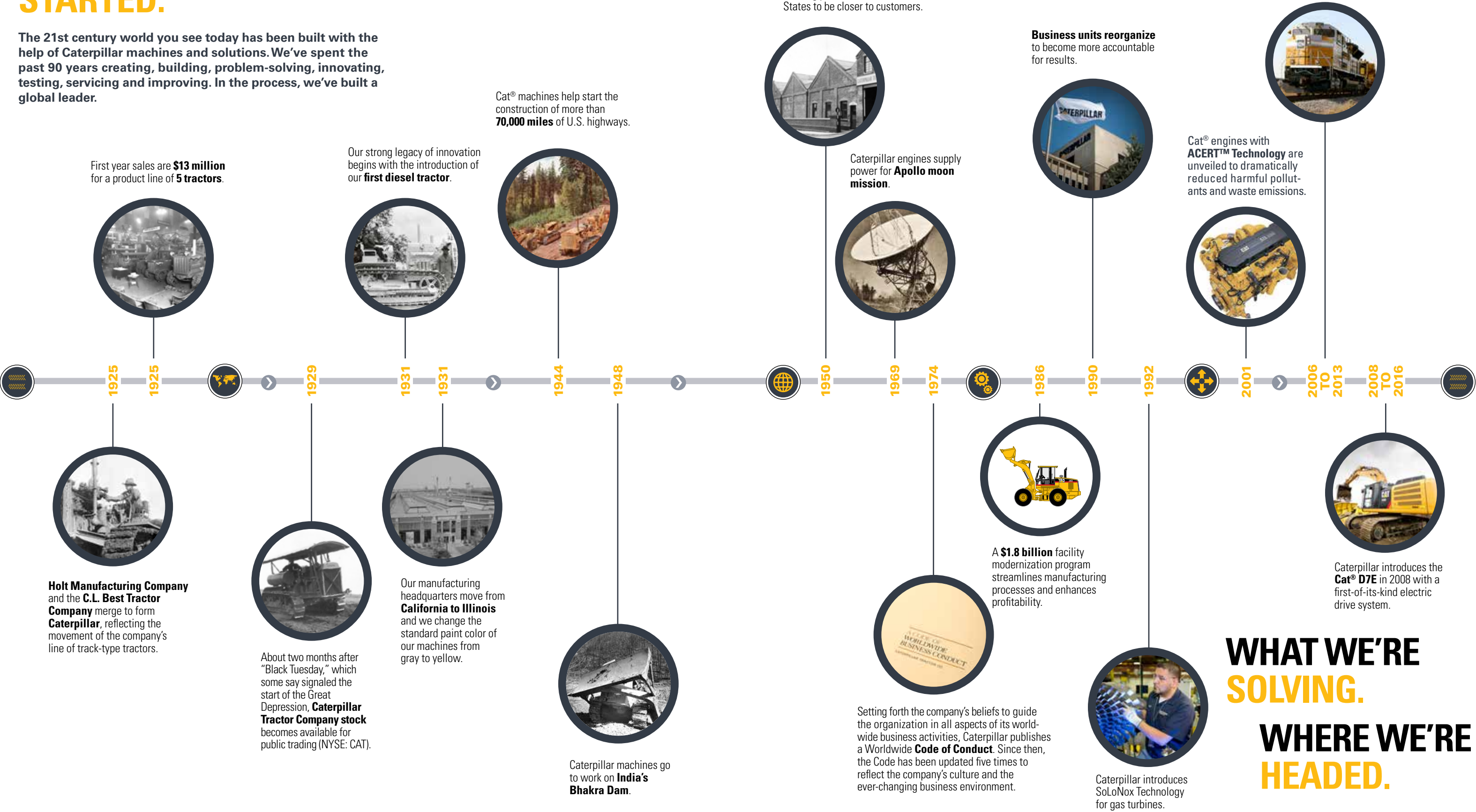
Neither our accomplishments nor our goals are small or inconsequential. Given that we are Caterpillar, that shouldn't surprise anyone.

Doug Oberhelman  
Chairman and CEO



# WHERE WE STARTED.

The 21st century world you see today has been built with the help of Caterpillar machines and solutions. We've spent the past 90 years creating, building, problem-solving, innovating, testing, servicing and improving. In the process, we've built a global leader.



# WHAT WE'RE SOLVING. WHERE WE'RE HEADED.

AT-A-GLANCE

FINANCIAL PERFORMANCE

PRODUCT LINE



Construction



Mining Equipment



Diesel & Natural Gas Engines



Industrial Gas Turbines



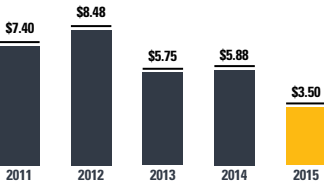
Diesel-Electric Locomotives



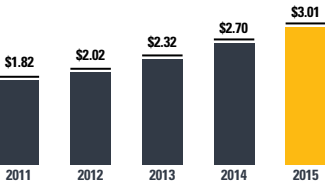
END MARKETS INCLUDE:

Building Construction  
Roads and Highway Construction  
Infrastructure Projects  
Mining  
Quarrying  
Oil & Gas  
Power Generation  
Marine  
Rail  
Industrial

PROFIT PER SHARE (DILUTED)



DIVIDENDS DECLARED (PER SHARE)



3Million+  
Products at Work  
Around the World

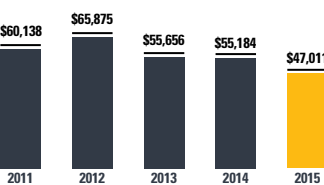


105,700  
Employees

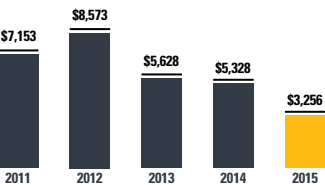


59%  
Sales and Revenues  
Outside the United States

CONSOLIDATED SALES AND REVENUES (\$ IN MILLIONS)



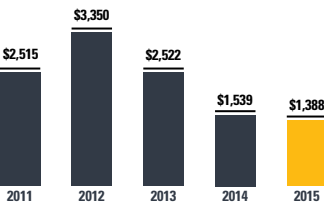
OPERATING PROFIT (\$ IN MILLIONS)



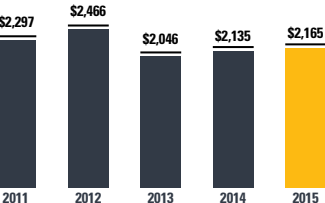
CONSOLIDATED SALES AND REVENUES BY SEGMENT (\$ IN MILLIONS)



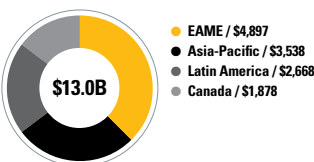
CAPITAL EXPENDITURES (EXCLUDES EQUIPMENT LEASED TO OTHERS) (\$ IN MILLIONS)



RESEARCH AND DEVELOPMENT (\$ IN MILLIONS)



2015 EXPORTS FROM U.S. BY REGION (\$ IN MILLIONS)



AT-A-GLANCE

2020 SUSTAINABILITY GOALS



Caterpillar has set aspirational, long-term goals for its operations and product stewardship. We believe these standards affirm our determination to lead our industry to a more sustainable future.

2020 GOALS FOR OPERATIONS

SAFETY



Reduce our recordable workplace injury rate to 0.6 and lost-time case rate due to injury to 0.15.

WATER



Reduce water consumption intensity by 50 percent from 2006.

ENERGY



Reduce energy intensity by 50 percent from 2006.

ENERGY



Use alternative/renewable sources to meet 20 percent of our energy needs.

GHG EMISSIONS



Reduce greenhouse gas emissions intensity by 50 percent from 2006.

2020 GOALS FOR PRODUCT STEWARDSHIP

SAFETY



Provide leadership in the safety of people in, on and around our products.

PRODUCTS, SERVICES AND SOLUTIONS



Leverage technology and innovation to improve sustainability of our products, services and solutions for our customers.

SYSTEMS OPTIMIZATION



Increase managed fleet hours by 100 percent from 2013.

REMAN AND REBUILD



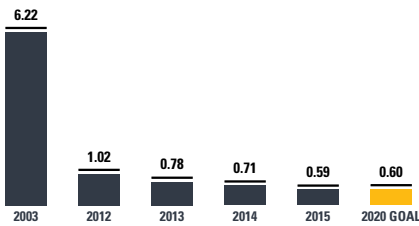
Increase remanufactured and rebuild business sales by 20 percent from 2013.



# SUSTAINABILITY GOALS & PROGRESS

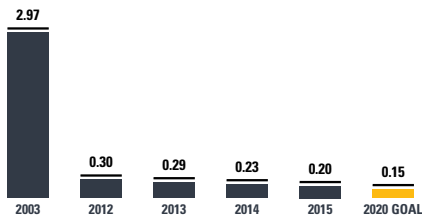
## RECORDABLE INJURY FREQUENCY (RIF)

Recordable injuries per 200,000 hours worked



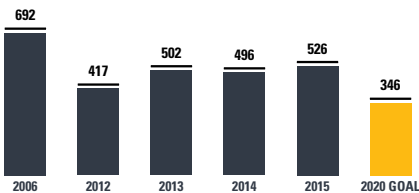
## LOST-TIME CASE FREQUENCY RATE (LTCFR)

Work-related injuries resulting in lost time per 200,000 hours worked



## ENERGY INTENSITY

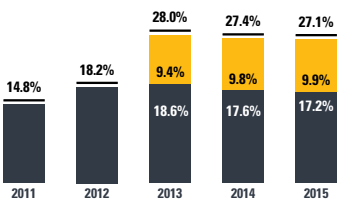
Absolute gigajoules energy use/million dollars of revenue



## ALTERNATIVE/RENEWABLE ENERGY<sup>1</sup>

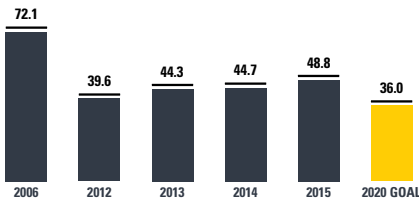
Sum of alternative and renewable electrical energy use/total electrical use x 100

Alternative Renewable



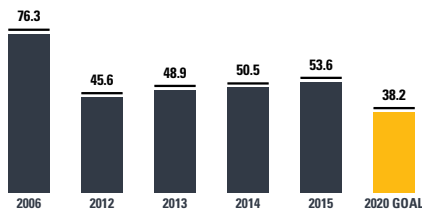
## GHG EMISSIONS INTENSITY

Absolute metric tons of CO2e/million dollars of revenue



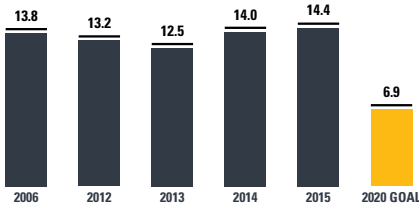
## WATER CONSUMPTION INTENSITY<sup>2,3</sup>

Absolute thousand gallons of water/million dollars of revenue



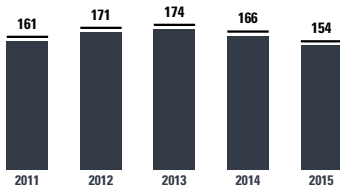
## BYPRODUCT MATERIALS INTENSITY

Absolute metric tons of byproduct materials/million dollars of revenue



## REMAN END-OF-LIFE "TAKE-BACK" BY WEIGHT<sup>4</sup>

Millions of pounds of end-of-life material received



<sup>1</sup> Total includes purchased and on-site generated alternative and renewable energy, as well as calculating the percentage of renewable energy from grid-purchased electricity using data obtained from the International Energy Agency.  
<sup>2</sup> Data prior to 2015 has been restated due to data updates realized from improved accuracy.  
<sup>3</sup> Water consumption intensity does not include non-contact cooling water from foundry operations.  
<sup>4</sup> Data does not include Progress Rail, Electro-Motive or Solar Turbines.



WHERE WE'RE  
**HEADED.**

We're investing in the future and, as we always have, facing challenges head on and delivering the products and services that will keep Caterpillar the industry leader tomorrow, as it is today.



WHERE WE'RE HEADED

# DATA AND INNOVATION



For 90 years, Caterpillar has delivered breakthrough innovation inside our machines and engines. Today, that innovation is increasingly happening outside the machine. We're going "beyond the yellow iron," harnessing the power of big data to offer our customers insights that decrease operating costs, increase uptime and maximize profitability. In the process, we're shaping a new era for Caterpillar in which we not only manufacture machines and engines, but also deliver value-added solutions that take our customer relationships to an entirely new level.



## SIMULATION LEADS TO PRODUCT DESIGN OPTIMIZATION AND EFFICIENCY

The increased use of simulation in the development of everything from power systems to machine structures has truly allowed Caterpillar to improve overall product development efficiency, sharpening product quality and reducing time to market. Simulation reduces or eliminates the need for prototypes to be used in the design phase of development.

The large wheel loader team leverages the use of simulation in each new product development program. In fact, the first full phase of the Cat 994K product design, which is the largest wheel loader in Caterpillar history, was done virtually, and simulation touched every area of this new centerline machine at some point along the way.



## CAT® COMMAND STEERS MINING IN A NEW DIRECTION

A fleet of gigantic Cat® 793 haul trucks rumbles along the dusty, red-sand haul roads of the Solomon mine in a vast, arid region of Western Australia. Working continuously, 24/7, the trucks maneuver through mine site traffic, back up into loading points and navigate to dump sites – all with minimal human intervention.

Iron is the reason Fortescue Metals Group (Fortescue) is there. At full operation, the new Solomon mine is projected to deliver 70 million tonnes of ore annually. It's a big job – and one that demands safety and maximized productivity. That's where Caterpillar's deep understanding of the mining industry and our customers' needs put us in the ideal

position to offer semi-autonomous and autonomous solutions such as Cat® Command for Hauling. The realization of a longtime dream of the mining industry, Cat Command has improved safety and productivity.

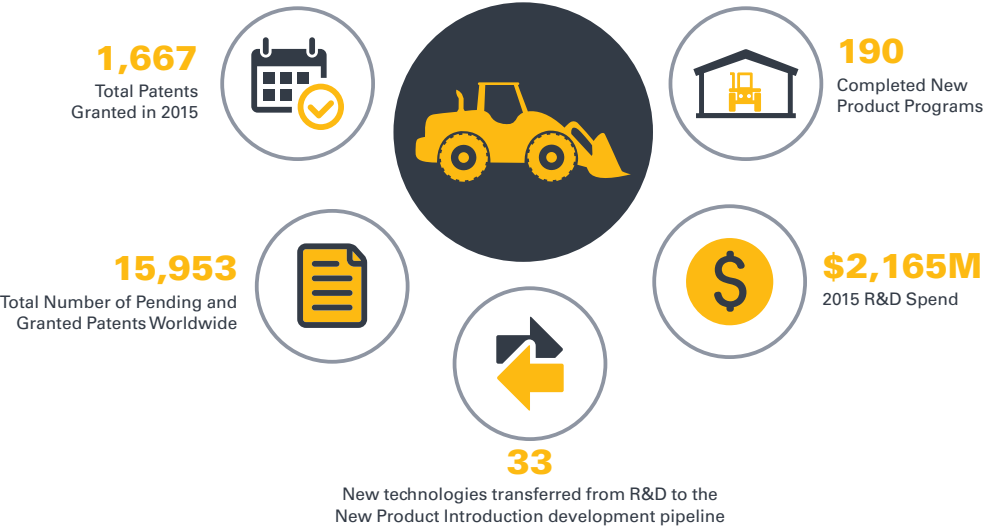
Trucks operating with Cat Command for Hauling use sophisticated onboard intelligence and advanced guidance technology, so a small number of people can run the whole project and centralize the control. For job sites such as underground mines, autonomous solutions are fast becoming a safety necessity.

Since its inception, Cat Command has gone through a progression of offerings. Semi-autonomous solutions such as Command for Dozing, for instance, allow one operator to oversee up to three semi-autonomous Cat® D11s – Caterpillar's largest dozers – by remote control. There's even an option where the operator has no line of sight to the dozers and uses cameras for feedback.

"Every mine takes a different journey to autonomy," explains Sean McGinnis, product development manager. "But that path always leads to a safer, more productive mine site. Cat Command reduces variations in the way the machine is operating, ensuring that it operates the same way, every time. It's like having the mine's best operator at the controls, but he or she is located safely away from any potential hazards. It's the best of both worlds: increased productivity combined with increased safety."

Today, the Cat Command concept continues to meet customer needs in ways that we couldn't anticipate five years ago. That's what makes innovation exciting and what energizes us to keep finding solutions that make a real difference.

## INVESTING IN R&D





# CUSTOMER SUPPORT



Our business strategy is a simple one: make our customers more successful. We work with our dealer network every day around the world to ensure that success – at construction sites and mining quarries and power plants. Our goal is to speed the delivery of customer support by being an agile organization positioned to respond efficiently and effectively to customer needs. Because when our customers win, we win.



## POWER TO PRESERVE THE PAST

The beautiful grounds and stunning architecture of Thomas Jefferson's historic residence, Monticello, function today as an important U.S. landmark, world-class museum and academic think tank, attracting more than 400,000 annual visitors.

Located outside of Charlottesville, Virginia, Monticello also houses one of the country's oldest and largest collections of historic documents. To help preserve and protect those irreplaceable collections for future generations, Caterpillar donated a 500kW Cat® C15 generator set, with local Cat dealer Carter Machinery providing the technical support, commissioning and testing. This followed a previous donation of a 350 kW Cat® C15 diesel generator set that provides standby power for Monticello's Robert H. Smith International Center for Jefferson Studies.

The donations were part of the estate's "Mountaintop Project," a multiyear effort to authentically restore the house and grounds to their appearance during Jefferson's retirement. We are proud to see these valuable assets entrusted to the quality and reliability of Cat® products.

## HOMESTEAD DAIRY TURNS PROBLEM INTO PROFIT

Based in Plymouth, Indiana, Homestead Dairy began as a modest family farm with only 110 cows. In 1979, brothers Floyd and Dan Houin purchased the farm from their dad and turned it into the massive dairy operation that it is today. The dairy now hosts 1,800 milking cows and 300 dry cows, while an additional 1,700 cows come in from three nearby facilities for milking. However, more cows means more manure, and the odor directly impacted nearby residents.

The Houins saw the possibility to turn a problem into a profit. They decided to build a biomass waste-to-energy facility that could convert the manure into electric power. Floyd knew that Homestead Dairy's equipment would need to run 24/7 with minimal downtime, so dependability was the deciding factor in choosing Caterpillar to supply the power. In researching the project, Floyd Houin toured a farm with a renewable energy facility that ran at peak efficiency, even with their older-model Cat® generator sets. That's when the Houins knew they'd trust their project to Caterpillar.



Homestead Dairy partnered with local Cat® dealer, Michigan Cat, to customize a power generation system for Homestead Green Energy, the energy-producing business within the dairy – two Cat® G3512A generator sets and ancillary equipment.

**In researching the project, Floyd Houin toured a farm with a renewable energy facility that ran at peak efficiency, even with their older-model Cat® generator sets. That's when the Houins knew they'd trust their project to Caterpillar.**

Homestead Green Energy has been in constant operation since October 2013, and the Cat® generator sets are essential to the waste-to-energy process. The manure is collected in pools and piped 1,700 feet to a pair of mixing tanks that empty into two anaerobic digesters. Once inside the tanks, the waste is heated and treated with microbes that produce methane gas, which is used to fuel the gas generators. Generator exhaust heat and jacket water heat are used to warm up the digesters as part of the fermentation process.

Beyond odor reduction and the financial return from producing electricity, Homestead Dairy uses the dewatered solids from the digesters as clean bedding for the cows. Additionally, the liquid nutrient byproduct is held in lagoons and used to fertilize the farm fields.

"By turning this abundant substance into an income stream, we've made the dairy more profitable," said Ryan Rogers, plant operator for Homestead Green Energy. "It also helps increase nutrient value, which is great for the environment. The crops absorb the manure better, and odor reduction for the community is a huge benefit."

The Homestead Green Energy installation demonstrates the economic viability of smaller-scale, waste-to-energy operations to create wins for business, the community and the environment.





WHERE WE'RE HEADED

EFFICIENCY



In an insistent and urgent world, winning organizations make the most of every minute, resource and opportunity. Caterpillar is going after that win by leveraging Lean, Engineered Value Chains and building strong Foundational Capabilities throughout our value chain to fulfill our Customer Service Promise, maximize Operating Profit After Capital Charge (OPACC) and create a competitive advantage. We're becoming a more disciplined, less complex organization that is committed to finding smarter and faster ways to work across the enterprise. This translates into a powerful competitive advantage that helps Caterpillar improve market position and sustain long-term success.

LEAN BENEFITS



Stabilizing  
the Business



Enhancing  
Product Quality



Improving  
Velocity



Driving Value  
for Our  
Shareholders

RESOURCE  
INDUSTRIES  
OFF-HIGHWAY TRUCK

45%

Reduction in field  
assembly time

ENERGY &  
TRANSPORTATION  
MID-SIZE ENGINES

18%

Increase in  
throughput

CONSTRUCTION  
INDUSTRIES  
MOTOR GRADER

65%

Inventory reduction  
(days on hand)

Since 2013, we have been committed to Lean to drive process and quality improvements at Caterpillar. Lean challenges all employees to get closer to the customer so they can deliver products and services based on the customers' true expectations. Our Lean journey goes beyond manufacturing to include all functional areas that execute business processes on a daily basis, including engineering, marketing, purchasing, accounting and human resources.

A GLOBAL SUPPLY NETWORK THAT  
DELIVERS UNDER PRESSURE

Nearly 40 percent of U.S. trade to and from Asia passes through West Coast ports in California. Keeping the flow of goods through these ports moving swiftly and efficiently is a priority for logistics and procurement networks across countless companies, including Caterpillar.

When a three-month labor dispute at one of these ports resulted in significant terminal congestion, the expertise of Caterpillar's logistics team translated into millions of dollars in savings, as well as ensuring that our supply flow remained resilient.

When business operations eventually returned to normal, many companies were left dealing with severe financial impact. While Caterpillar experienced added costs and some slowing in our materials flow, these were a fraction of the impact on other companies. That's how we know our Global Supply Network can deliver under pressure – not merely reacting to fluctuations in logistics, but truly taking charge of and managing our supply network.

Our staying power throughout the slowdown was due, in very large part, to the collaboration and flexibility of our Global Supply Network. Using a winning combination of procurement and logistics data and innovative thinking, a clearer inventory picture emerged to help streamline and divert shipments.



"We were able to see not only the best ports, but also the best terminals in those ports," explained Global Supply Network Director of Logistics Scott Shepherd, "so we could react faster and accurately reroute shipments. This allowed us to move material more quickly, while limiting added costs and overall supply disruption."



AN INDUSTRY LEADER WITH  
WORLD CLASS RESULTS

Caterpillar continues to improve upon historical best safety performance, and we are an industry leader with world-class results. Beginning in 2003, we implemented an enterprise-wide initiative to focus on safety called Vision Zero. Today, we're proud that our Recordable Injury Frequency has improved 91%, but there is more work to do. Breakthrough safety performance is continuing with our Lean Transformation by focusing on standard work, which means more folks are going safely home, every day.



WHERE WE'RE HEADED

PEOPLE



**Best quality. Best reliability. Best endurance. The same attributes that define our products define our people – more than 105,000 of them around the world. For 90 years, Caterpillar people have been building the machines that have built our world. We’re confident that Caterpillar’s long-term future is secure thanks to our global team’s drive to perform at a superior level. It’s a commitment that extends beyond the workplace where Caterpillar employees contribute their time and talents to making the world around us a better one.**

REAL CAT FOLKS

To showcase the rich diversity, passion for life and strong work ethic present in our Caterpillar family, we began the Real Cat Folks project. Inspired by Humans of New York, the project highlights that Caterpillar employees are real people – with real families, real pasts, real dreams and real stories. Visit [caterpillar.com/RealCatFolks](http://caterpillar.com/RealCatFolks) to see dozens of published profiles, and check back weekly for updates.

“I grew up on a cotton field on the coast and came to Suzhou for school. Suzhou is a beautiful city with the combination of modern industry and ancient history. I like to spend my spare time playing soccer and climbing mountains in the neighborhood. I’ve always wanted to learn to play guitar and want to play for my son in the future. He’s 14 months old, and my biggest wish is to watch him grow up happily.”

— YOXIANG ZHANG, CHINA



“Caterpillar gave me a chance after being unemployed for five years. I never thought they’d hire me because of my age. When my youngest was having a rough time, I told her to fill out an application. The next thing I knew, she was hired on full time after three months of being an agency worker. Today she’s a team lead, going strong and learning as much as she can. I’m very proud of her.”

— HARRY, UNITED STATES

MARKING MILESTONES AT BOTH ENDS OF A CATERPILLAR CAREER

In 2015, two Caterpillar employees marked career milestones in two very different journeys. Their stories illustrate the satisfaction that comes at the end of a long career and the exhilaration that comes from being given the first chance to give your all.

In early 2015, Ed Flesburg retired after 60 satisfying years of service with Caterpillar. As a 6 Sigma Black Belt within the Global Supply Network Division (GSND), and over the course of his notable career, Ed achieved much success and delivered many outstanding results for the company.

Ed began his career in 1955, as a chip wheeler in East Peoria, Illinois. After returning from deployment to Korea, he spent the next 51 years in many different roles with the company, from janitor to drafting, designing and engineering.

Throughout his tenure, Ed achieved four company patents to his name, developed 14 major design changes, resolved 11 major design problems and generated more than \$55 million in cost reductions. In addition, he pioneered the development of the heat transfer coolant category, where his experience and expertise was priceless.

Ed’s manager, James Dryden, sums up Ed’s outstanding tenure: “Famous basketball coach John Wooden once said ‘Who can ask more of a man than giving all within his span? Giving all, it seems to me, is not so far from victory.’ I cannot think of a better quote to describe Ed’s work ethic and outstanding accomplishments to make Caterpillar the successful company it is today.”

As Ed was accepting well wishes for the future from his grateful team, thousands of miles away 19-year-old Farooq Kahn was looking forward to the future for the first time in a long time. Farooq is training as an industrial mechanic at Caterpillar Mining in Lünen, Germany. His arrival at Caterpillar marks a milestone in a remarkable journey.

Farooq escaped from his home country of Afghanistan when he was only 15 years old, leaving his parents and siblings and all he knew behind him. It took him five months to arrive in Germany. He spoke not one word of German, had a very dangerous escape behind him and was completely on his own.

After his graduation from German elementary school, Farooq sent over 70 applications to companies, but only Caterpillar in Lünen was willing to give him a chance. At the time his German language skills were limited, and, as a refugee, he only had a temporary residence permit.



According to a study conducted in Germany, only 15 percent of companies are ready to hire young people with foreign roots. Caterpillar in Lünen has been a part of this small group of companies for years, but Farooq, now successfully integrated into the company, was the first refugee hired.

**Caterpillar employees come to us in many different ways, with many different stories. But we are humbled by what they have in common: the loyalty and dedication to put their talents and enthusiasm to work to help us build the world.**

“We strongly believe it to be part of our social responsibility to give young people like Farooq the possibility to enjoy a good education.”

Farooq’s aim is to successfully complete his industrial mechanic training and then possibly continue his studies. His instructor is very enthusiastic about his curiosity, ambition and commitment. “All I want is to build a new life for me here,” said Farooq.

Caterpillar employees come to us in many different ways, with many different stories. But we are humbled by what they have in common: the loyalty and dedication to put their talents and enthusiasm to work to help us build the world.



# WHAT WE'RE SOLVING.

Caterpillar continues to help make sustainable progress possible by offering solutions to ongoing challenges in our world today.

## WHAT WE'RE SOLVING SAFE WORKPLACE SOLUTION

### REVITALIZING A CULTURE OF SAFETY

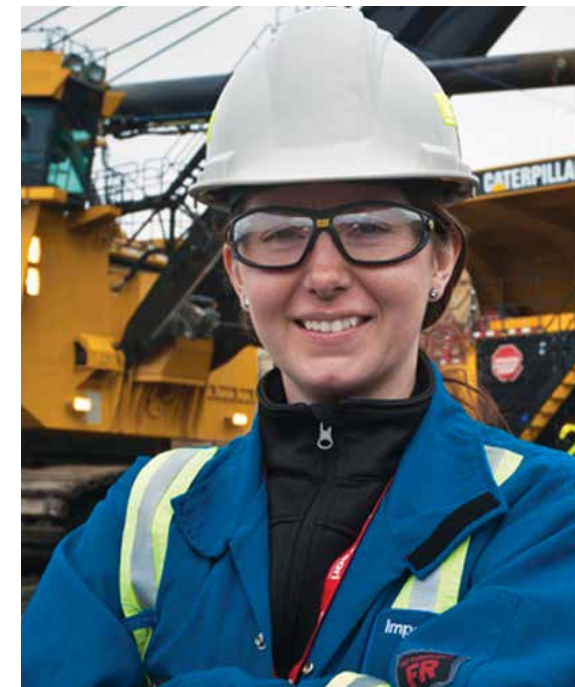
As we work to reduce our enterprise Recordable Injury Frequency (RIF), there are countless large and small steps we have taken, as demonstrated by our progress to date. But even the most dedicated facilities sometimes reach a “safety plateau,” where further improvements become more difficult to achieve. When our Mapleton, Illinois, Cast Metals Organization facility found their safety numbers plateauing at the end of 2012, they deployed facility-wide initiatives to break through to the next level of safety excellence.

The safety team, aided by the commitment of each of the nearly 600 employees on site and the Caterpillar Safety Services Zero Incident Performance (ZIP™) Process, undertook a cultural shift in how they address safety, thinking of the program as ‘creating the presence of safety’ rather than ‘the absence of injuries.’ Part of this shift involved making the concept of safety personal. An acronym like RIF is not easy to relate to daily work, but seeing and discussing how each injury affects real people in their work and personal life truly drives home the importance of safety. The safety team encouraged this viewpoint by dedicating all-employee meetings to recent on-site injuries and dialogues about how to make safety proactive instead of reactive. In 2015, Mapleton reduced its injury rate by 18.3 percent over the previous year, and injury rates have fallen by 66.3 percent since 2010.

**In 2015, Mapleton reduced its injury rate by 18.3 percent over the previous year, and injury rates have fallen by 66.3 percent since 2010.**

Many of the safety improvements that Mapleton has implemented to break through its safety plateau have been generated by the employees themselves using a “Green Card” program to document and communicate when employees identify, and proactively fix, a safety risk. In 2015, Mapleton employees submitted nearly 5,000 Green Cards representing potential hazards or conditions that they worked on independently or with management to address, and believed could be improved. The facility also uses a “Star Green Card” system to allow department heads to further recognize employees who have gone above and beyond to fix a potential safety risk. The facility has implemented a full-time Safety Champion position for each department, empowering employees to apply their specific knowledge of shop floor and safety practices to work with department heads to enact health and safety initiatives.

Because safety communication has been fundamental to the success of Mapleton’s efforts, the safety team created a safety improvement video, which is screened throughout the facility and updated each month to reflect the process and facility safety improvements that have been implemented. Often these videos highlight innovative solutions developed and implemented by the employees. Facility Manager Gary Bevilacqua attributes the success of the videos to the fact that it is a communication method that allows a different type of dialogue. “People are starting to talk about safety more openly and listening to the messages on the videos,” he said. “It’s generating awareness and more individuals are coming forward with new ideas and aren’t afraid to discuss them with their teams.”





WHAT WE'RE SOLVING

# RENEWABLE ENERGY SOLUTION



## BRINGING RENEWABLE ENERGY TO ANYWHERE IN THE WORLD

Renewable energy technologies are showing great promise to change how energy is produced around the globe, while addressing basic human needs. In 2015, Caterpillar launched a number of initiatives that will provide reliable, cost-effective and sustainable energy wherever it is needed.

For example, microgrid technologies that couple renewable energy generation with traditional generators and energy storage systems can be deployed to places where the grid is weak, or does not reach. In 2015, Caterpillar entered a strategic alliance with solar industry leader First Solar to develop and distribute Cat branded photovoltaic modules for incorporation into microgrid systems that can be utilized anywhere from remote villages to mining operations. Caterpillar will distribute this innovative technology through our global network of dealers, providing value to our customers by integrating solar energy systems with Caterpillar’s trusted expertise in distributed power generation technologies.

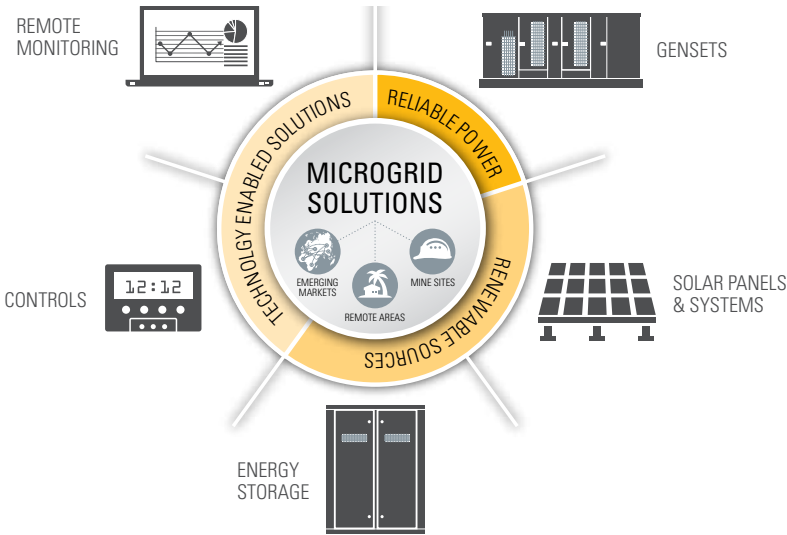
Caterpillar is also leveraging the advanced thin film solar panel technology for our traditional commercial and industrial customers’ energy needs in more developed markets such as the United States and China. The thin film solar panel technology has higher energy capture characteristics than traditional solar panels, yielding increased annual energy production for our customers. Integration of these products with traditional standby generator sets allows customers to leverage the benefits of renewable energy even if the grid goes down, providing an even higher level of energy independence.

Another important technology that is rapidly progressing is energy storage systems, which allow customers to capture surplus renewable energy and store it for later use. Caterpillar, leveraging our bi-directional inverter technology developed for mining trucks and hybrid tractors, offers a full range of energy storage technologies, ranging from ultracapacitors for short duration storage to long duration metal-air energy storage products. Recognizing the benefit that energy storage technology can offer our customers, in 2015 Caterpillar invested in Fluidic Energy, the makers of metal-air energy storage technologies. We chose Fluidic Energy for this endeavor because the company’s technology offers potentially significant advantages in terms of energy storage cost, depth of discharge, cycle life and safety over some traditional energy storage products.

Leading by example, Caterpillar is first deploying world-class microgrid technologies at some of its own facilities. Many Caterpillar operations resemble the commercial/industrial operations of our customers, so microgrid installations at Caterpillar facilities provide a hands-on educational and training experience for customers and dealers while simultaneously providing cost and emission reductions for the company. A prime example is the Caterpillar Tucson Proving Ground facility located in Arizona. Caterpillar performs validation testing of its mining equipment at this site, which comprises an office building, shop areas and large open-air test areas. Existing Cat® C15 diesel generator sets operate continuously to provide approximately 400kW of electricity to the site, consuming approximately 250,000 gallons of diesel fuel per year. Extending the local utility grid to this remote location is cost-prohibitive, but microgrid technology is now a cost-effective

complement to diesel generators alone. We are installing 500kW of solar panels, 500kW of energy storage and a microgrid controller to seamlessly integrate these sources with the existing diesel generators. The system will carry the site load during daylight hours, enabling the diesel generators to reduce power output and shut down. Fuel consumption and exhaust emissions are expected to be reduced by 33 percent, and generator maintenance is expected to be reduced by 25 percent, with the resulting cost reductions providing an attractive return on the investment in the microgrid. Real-time performance of the system will be monitored remotely and will be available for viewing online by select Cat® dealers.

Moving forward, we intend to deploy similar microgrid systems, solar panels and energy storage systems to customers throughout the world – whether in remote villages, mining sites, islands, military installations, telecommunications facilities, or commercial/industrial facilities. By expanding Caterpillar’s broad power generation portfolio and solutions, we are reducing customer costs and site emissions, while expanding access to electricity to those in the greatest need. Our goal is simple – to provide our customers and the communities where they work and live a brighter future no matter where they are in the world.





# MATERIAL RECOVERY SOLUTION

## MATERIAL RECOVERY

Caterpillar encourages circular economy principles through our remanufacturing and rebuild businesses. This starts with durable products, many designed to be rebuilt multiple times. Through our remanufacturing and rebuild programs, components and machines are overhauled, rather than simply repaired or replaced. Reuse of parts, still within factory specifications, reduces waste and minimizes the need for additional raw materials necessary to produce new parts. This system is where Caterpillar is making some of its greatest contributions to sustainable development – keeping non-renewable resources in circulation for multiple life cycles.

For more than 40 years, Caterpillar’s remanufactured products have provided same-as-when-new performance, reliability and warranty at fraction-of-new costs, as well as availability that gives customers more options at repair and overhaul time.

**In addition to giving our customers lower operations and maintenance costs, using remanufactured equipment gives Cat® dealers a competitive advantage.**

An excellent example of how our reman programs deliver value to customers can be found in the island nation of Dominica. There, almost all energy is produced using a combination of gas, diesel and fuel-oil generators. Rimco, the Cat® dealer in the Eastern Caribbean, has put a priority on offering remanufactured parts and components to the local electricity companies and customers. Remanufactured parts are more affordable, helping to manage operating costs, and are more readily available on the market, allowing faster turnaround time in the event of emergency repairs.



For instance, a local energy company uses 11 Cat® generators – primarily Cat® 3516, Cat® 3608 and Cat® 3612 engines – to supply the majority of the island’s electricity. During 2015, two of the main generators needed emergency replacement parts, reducing the backup power available and increasing the risk to a disruption in energy supply to the island. Rimco provided remanufactured parts to the energy company, ensuring they could keep the power flowing without interruption.

In addition to giving our customers lower operations and maintenance costs, using remanufactured equipment gives Cat® dealers like Rimco a competitive advantage and has helped the 35-year-old company meet the needs of its customers across the Eastern Caribbean efficiently and affordably.



# SANITATION IMPROVEMENT SOLUTION



## SUPPORTING GLOBAL SANITATION IMPROVEMENTS

When we seek to meet basic human needs around the world, particularly those of women and girls, sanitation is a high-impact area where we can focus our efforts. In 2015, the Caterpillar Foundation continued our support of The Global Poverty Project (GPP) with an investment to support universal access to sanitation. The grant will help GPP advocate for policies around the world that enable entrepreneurship, especially for women, by removing barriers caused by poor and inequitable access to sanitation – such as places to hand wash or use the toilet – and lack of access to basic education. GPP estimates universal sanitation would improve the entrepreneurial potential of women by freeing up more than 200 million hours for women and girls each day, enabling them to achieve an education, have time for paid employment or to run their own small enterprises. Combined, these measures would return an estimated \$220 billion to the global economy annually.

**GPP estimates universal sanitation would improve the entrepreneurial potential of women by freeing up more than 200 million hours for women and girls each day, enabling them to achieve an education, have time for paid employment or to run their own small enterprises.**

In 2015, the United Nations adopted the Sustainable Development Goals (The Global Goals), a series of 17 goals with 169 targets to be achieved by 2030. Included in these goals were two key aspects of our policy partnership with GPP: the recognition of the need to ensure access to adequate sanitation and hygiene for all, and a commitment to end open defecation, especially for women, girls and those in vulnerable situations. GPP will continue to work on other aspects of our sanitation-policy partnership, including securing a \$10 million-per-year increase in Water, Sanitation and Hygiene (WASH) aid from the United States government, and urging four new governments or companies to allocate new, additional financial resources to sanitation efforts.





# NATURAL INFRASTRUCTURE SOLUTION

## SHINING A LIGHT ON THE CLIMATE BENEFITS OF NATURAL INFRASTRUCTURE

Cat® products are used to support infrastructure projects around the world, including natural infrastructure projects such as the restoration of forests, wetlands and other landscapes. We believe that Caterpillar’s expertise across industries puts us in a prime position to drive the global discussion on the importance of natural infrastructure and its restoration. Not only is sustainability one of our Core Values, but over our 90-year history we have also built relationships across a wide range of infrastructure businesses that will be critical to restoring the world’s natural landscapes. Already, Caterpillar has supported a number of major natural infrastructure restoration projects, including Everglades restoration projects in Florida, cleanup work in the wake of Hurricanes Sandy and Katrina and remediating Superfund sites across the United States.

Around the world, governments, industries and individuals are talking about climate change, the threats it poses to our livelihoods and the best ways to address it. The majority of the conversation has focused on the role energy plays in our global carbon footprint. Natural infrastructure – forests, prairies, agricultural lands, coastal landscapes, wetlands and other landscapes – also plays a vital role in managing carbon and supporting global sustainability. In 2015, to complement our existing initiatives focused on reduction of greenhouse gases, Caterpillar spearheaded an effort to raise awareness of the benefits of natural infrastructure.

**Caterpillar has supported a number of major natural infrastructure restoration projects, including Everglades restoration projects in Florida, cleanup work in the wake of Hurricanes Sandy and Katrina and remediating Superfund sites across the United States.**

Natural infrastructure sequesters billions of tons of carbon for productive use in plants and soils. Scientists say that more carbon resides in soil than in the atmosphere and all plant life combined; there are 2,500 billion tons of carbon in soil, compared with 800 billion tons in the atmosphere and 560 billion tons in plant and animal life. The food, fiber and lumber produced from natural infrastructure provide our nourishment and much of the raw materials for clothing and housing. With the earth’s population expected to grow from 7 billion to more than 9 billion in the next few decades, ensuring the health and productivity of our natural infrastructure will be integral to meet the growing need for food and other basic human needs.



Land and Water Resources for Food and Agriculture (SOLAW), found 25 percent of the world’s lands are now considered “highly degraded” as a result of poor management practices. This means that an area roughly the size of North America may suffer from deforestation, desertification, severe erosion and wetland contamination. As a result, communities that depend on these lands may experience less productive farmland, poorer water quality and lower storm resilience. According to Ohio State University’s Carbon Management and Sequestration Center, restoring soils of degraded and desertified ecosystems has the potential to provide an additional 1 billion to 3 billion tons of in-soil carbon storage capacity annually, equivalent to approximately 3.5 billion to 11 billion tons of CO2 emissions.

In November 2015, Caterpillar hosted the first major national summit in the United States of diverse stakeholders who have a part to play in natural infrastructure restoration. The summit brought together leaders from engineering, construction, finance, governments, academia and nongovernmental organizations to establish a coordinated effort across these industries to develop and deploy sustainable development solutions. Participants delved into the scientific and business cases for natural infrastructure restoration and brainstormed policies, business models and financing solutions needed to expand the world’s natural infrastructure restoration efforts.

Following the summit, Caterpillar has published a comprehensive white paper detailing the summit discussions. The paper highlights the recommendations that businesses and governments may consider to increase the effectiveness of efforts to restore natural infrastructure and keep pace with our need for the critical services, including carbon sequestration and resources, that natural ecosystems provide. Through the use of our products for natural infrastructure restoration projects and continuing to increase awareness, this is another way that Caterpillar can continue to build a more sustainable world.

# SUSTAINABILITY VISION, MISSION, STRATEGY & PRINCIPLES



## VISION

Our vision is a world in which all people’s basic needs – such as shelter, clean water, sanitation, food and reliable power – are fulfilled in a sustainable way and to be a company that improves the quality of the environment and the communities where we live and work.

## MISSION

Our mission is to enable economic growth through infrastructure and energy development, and to provide solutions that support communities and protect the planet.

## STRATEGY

Our strategy is to provide work environments, products, services and solutions that make safe, productive and efficient use of resources as we strive to achieve our vision. We apply innovation and technology to improve the sustainability performance of Caterpillar’s products, services, solutions and operations. We believe sustainable progress is made possible by developing better systems that maximize life cycle benefits, while also minimizing the economic, social and environmental costs of ownership, as reflected in our sustainability principles. We will execute our strategy by working to meet our aspirational sustainability goals.

## SUSTAINABILITY PRINCIPLES

Sustainability is part of who we are and what we do every single day. We recognize that progress involves a balance of environmental stewardship, social responsibility and economic growth.

Caterpillar Sustainability Principles drive our commitment to make sustainable progress possible.

### Prevent Waste (Improve Safety, Efficiency and Productivity):

By increasing the safety, efficiency and productivity of processes and products, we reduce cost and minimize the use of materials, energy, water and land. We provide a safe work environment and the tools and training employees need to work safely. We provide customers with products, services and solutions that improve the sustainability of their operations.

### Improve Quality (Team, Community, Environment and Operations):

We focus on improving quality for our company, customers, communities, environment and the quality of life for our employees. We use Lean and 6 Sigma to improve our operations and products. Our employees and their families experience a better quality of life when the quality of our company, communities and the environment is maintained. We attract and develop the best teams.

### Develop Better Systems (Innovate):

We leverage innovation and technology to maximize efficiency and productivity. We remanufacture, rebuild and recycle to conserve resources for multiple life cycles. We develop products that contribute to communities through infrastructure development and energy access. We develop better systems throughout the value chain, “engineering the whole chain, not just the links,” in order to maximize life cycle benefits.



LEGAL STATEMENTS

© 2016 Caterpillar All Rights Reserved. CAT, CATERPILLAR, their respective logos, ACERT, BUILT FOR IT, MineStar, Product Link, Solar, VisionLink, “Caterpillar Yellow,” the “Power Edge” trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar Inc. or its subsidiaries and may not be used without permission.

**Forward-Looking Statements** Certain statements in this 2015 Sustainability Report relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “estimate,” “will be,” “will,” “would,” “expect,” “anticipate,” “plan,” “project,” “intend,” “could,” “should” or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and we do not undertake to update our forward-looking statements.

Caterpillar’s actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global and regional economic conditions and economic conditions in the industries we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets, limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit ratings and potential, resulting in increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment’s risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions; (ix) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (x) new regulations or changes in financial services regulations; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) international trade policies and their impact on demand for our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers’ needs; (xiv) the impact of the highly competitive environment in which we operate on our sales and pricing; (xv) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulations; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial’s compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) changes in accounting standards; (xxvii) failure or breach of IT security; (xxviii) adverse effects of unexpected events, including natural disasters; and (xxix) other factors described in more detail under “Item 1A. Risk Factors” in our Form 10-K filed with the SEC on February 16, 2016, for the year ended December 31, 2015.

To learn more about Caterpillar in 2015 and our sustainability journey, please visit the full 2015 Year in Review and Sustainability Reports at <http://reports.caterpillar.com/>



OFFICERS

**Chairman of the Board  
& Chief Executive Officer**  
Douglas R. Oberhelman

**Group Presidents**  
Robert B. Charter  
Thomas A. Pellette  
Edward J. Rapp  
D. James Umpleby III  
Denise Johnson –  
effective 2016

**Group President &  
Chief Financial Officer**  
Bradley M. Halverson

**Executive Vice President,  
Law and Public Policy &  
Chief Legal Officer**  
James B. Buda

**Senior Vice President**  
David P. Bozeman

**Vice Presidents**

Kent M. Adams  
William P. Ainsworth  
Mary H. Bell\*\*  
Thomas J. Bluth  
Wai Man (Raymond) Chan  
Qihua Chen  
Frank J. Crespo  
Christopher C. Curfman\*\*

Bob De Lange  
Michael L. DeWalt  
Paolo Fellin  
William E. Finerty\*\*  
Gregory S. Folley  
Thomas G. Frake  
Kimberly S. Hauer  
Gwenne A. Henricks

Kenneth J. Hoefling\*  
Douglas O. Hoerr  
Denise C. Johnson  
Kathryn D. Karol  
Philip G. Kelliher  
Pablo M. Koziner  
Julie A. Lagacy  
Nigel A. Lewis

Steven W. Niehaus  
E. Jean Savage  
Mark E. Sweeney\*\*  
George H. Taylor, Jr.  
Tana L. Utley  
Karl E. Weiss  
Ramin Younessi

**Chief Accounting Officer**  
Jananne A. Copeland

**Corporate Controller**  
Jill E. Daugherty

**Treasurer**  
Edward J. Scott

\*Appointed in 2015  
\*\*Retired in 2015

**Assistant Treasurer**  
Sally A. Stiles

**Chief Audit Officer**  
Kimberly R. Doe

**Chief Ethics and  
Compliance Officer**  
Lance W. High

**Corporate Secretary**  
Christopher M. Reitz

**Assistant Secretary**  
Patrick G. Holcombe

**Assistant Secretary**  
Joni J. Funk

BOARD OF DIRECTORS

David L. Calhoun  
Daniel M. Dickinson  
Juan Gallardo

Jesse J. Greene, Jr.  
Jon M. Huntsman, Jr.  
Dennis A. Muilenburg

Douglas R. Oberhelman  
William A. Osborn  
Debra L. Reed

Edward B. Rust, Jr.  
Susan C. Schwab  
Miles D. White



Caterpillar Inc.  
100 NE Adams Street  
Peoria, Illinois 61629 USA  
1 (309) 675-1000

 **CATERPILLAR®**



**Re: Due November 4 -- Exemption request for business license**

**Tax-License Tax-License** to: Schreifels\_Ann\_M

10/26/2016 03:43 PM

Cc: "Jeffrey Whiting"

Caterpillar: Confidential Green

Retain Until: 11/25/2016

History:

This message has been forwarded.

Ms. Schreifels,

Since Caterpillar Inc will have a business location within Tucson city limits, Caterpillar will need a city business license. If the office in Tucson is not selling any items, then it will not need a City of Tucson tax license.

You can contact the license section at 520-791-4566 regarding a business license. You can also register for a business license using the City's e-tax system.

[https://urldefense.proofpoint.com/v2/url?u=https-3A\\_\\_www.tucsonaz.gov\\_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m9OlGg-sEp8sXyly2aQ&r=WMM-Ht51y52fzXNRZvP2tBVTk26SHHwUPGwOJA16F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk\\_KSfzLwib00MZic\\_U0NiNPME11Q&e=](https://urldefense.proofpoint.com/v2/url?u=https-3A__www.tucsonaz.gov_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m9OlGg-sEp8sXyly2aQ&r=WMM-Ht51y52fzXNRZvP2tBVTk26SHHwUPGwOJA16F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk_KSfzLwib00MZic_U0NiNPME11Q&e=)

Thank you.

Pam

>>> "Ann M. Schreifels" <Schreifels\_Ann\_M@cat.com> 10/14/2016 11:47 AM >>>  
Hello,

I'm writing behalf of Caterpillar Inc. We are responding to a City of Tucson RFP (#161534) and one of the requirements is to either hold a City of Tucson business license or receive a written determination from your office that a business license is not required.

Though we are responding as a manufacturer, it is our local dealer, Empire Machinery, who will conduct all business with the city. Caterpillar will never directly sell equipment nor collect any funds. This is how we are currently doing business and we are not requesting any changes. (Empire Machinery does have a current City of Tucson business license.)

Would you be able to confirm in writing that Caterpillar Inc. is not required to hold a business license for the purposes of this RFP?

The City of Tucson contract officer leading this RFP is Jeffrey Whiting and either he or I would be happy to clarify this request.

Thank you very much,

Ann Schreifels  
Americas Marketing Supervisor  
Governmental Sales & Business Processes  
Global Construction & Infrastructure  
100 NE Adams St. | Peoria, IL | USA | 61629  
Tel: 309-266-0471 | Tie: 7-726-0471 | C: 309-338-5976

# ***Certificate of Insurance***

## *Statement of Insurance*

*From: Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

*Re: Verification of Casualty Insurance Program*

*Caterpillar Inc. assumes a major retention for its general liability exposures (including product liability) and auto liability exposures (except where required by state statute). This retention is consistent with Caterpillar's net worth and cash flows.*

*If Caterpillar's net worth drops below \$1 Billion, insurance certificates will be issued. Caterpillar Inc. has in place catastrophic excess liability coverage.*

*Please contact (309) 675-4645 if you have any questions.*

**CATERPILLAR®**



# ***Certificate of Insurance***

## *Statement of Insurance*

*From: Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

*Re: Verification of Property Insurance Program*

*Caterpillar Inc. assumes a major retention for its corporate property exposures. This retention is consistent with Caterpillar's net worth and cash flows. Catastrophic protection purchased is consistent with other corporations of our size.*

*Caterpillar Inc. will honor its responsibilities assumed under any agreement.*

*Please contact (309) 675-8400 if you have any questions.*

**CATERPILLAR®**



Effective with sales to the first user on or after July 1, 2016

# CATERPILLAR LIMITED WARRANTY

## Earthmoving, Construction, Material Handling, Forestry and Paving Machines

### Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants the following new products sold by it to be free from defects in material and workmanship:

- Earthmoving, construction, material handling, forestry and paving machines (except as listed below).
- Attachments/work tools installed on such machines prior to delivery (unless covered by the Cat® Work Tool warranty statement or another manufacturer's warranty). Hammer tool points and compacting plates used on hydraulic hammers are not warranted.

Additional warranties are applicable against breakage for certain Cat Ground Engaging Tools and for wear on all landfill compactor tips. Refer to the applicable warranty statements for coverage detail.

This warranty does not apply to:

- Cat Batteries
- Mobil-trac belts, rubber tracks used on multi terrain loaders, compact track loaders, and mini hydraulic excavators
- Cat Work Tools
- 424 Backhoe Loaders, 216 and 226 Skid Steer Loaders, and 320 Excavators sold in India
- Prentice brand forestry machines
- Longwall mining machines
- 785, 789, 793, 794, 795, 797 Off-Highway Truck models sold in regions other than the Commonwealth of Independent States ("CIS")
- 24 Motor Grader models sold in regions other than the CIS
- 854, 992, 993, 994 Wheel Loader models sold in regions other than CIS

These products are covered by other Caterpillar warranties.

This warranty is subject to the following:

#### Warranty Period

For new machines and work tools/attachments the warranty period is 12-months/unlimited hours, starting from date of delivery to the first user.

#### Note:

- For hydraulic line's quick connect/disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.
- For Draglines, Electric Rope Shovels, Hard Rock Movers, Hard Rock Feeders, Hard Rock Miners, Hard Rock Conveyors, Hard Rock Roof Supports; the warranty period is not to exceed 24 months from shipment of the last major component from the Caterpillar place of manufacture.

#### Caterpillar Responsibilities

If a defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat dealer or other source approved by Caterpillar

- Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar approved repaired parts or assembled components needed to correct the defect.

**Note:** New, remanufactured, or Caterpillar approved replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. Items replaced under this warranty become the property of Caterpillar.

- Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect.
- Provide reasonable and customary labor needed to correct the defect.

#### User Responsibilities

The user is responsible for:

- Providing proof of delivery date to the first user.

- Labor costs, except as stated under "Caterpillar Responsibilities."
- Transportation costs, except as stated under "Caterpillar Responsibilities."
- Premium or overtime labor costs.
- Parts shipping charges in excess of those that are considered usual and customary.
- Local taxes, if applicable.
- Costs to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.
- Performance of the required maintenance (including use of proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear.
- Allowing Caterpillar access to all electronically stored data.

#### Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.
- Failures resulting from abuse, neglect, and/or improper storage or repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments, and unauthorized fuel setting changes.

*continued...*

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

*A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:*

**NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.**

**THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT CATERPILLAR EMISSION-RELATED COMPONENTS WARRANTY FOR NEW ENGINES, WHERE APPLICABLE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.**

**CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.**

**CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.**

**IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.**

*B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:*

**THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.**

**NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.**

**IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.**

**CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.**

**CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.**

**IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION (CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS) IS EXCLUDED IN ITS ENTIRETY.**

*C) For products supplied in Australia:*

**IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:**

- I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR**
- II. PRODUCTS THAT COST AUD 40,000 OR LESS,**

**WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.**

**THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.**

**TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.**

**THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000, THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.**

**TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.**

©2016 Caterpillar All Rights Reserved.

CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow," the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.

Effective with sales to the first user on or after January 1, 2014.

# CATERPILLAR LIMITED WARRANTY

## Rubber Track Used on Multi Terrain Loaders, Compact Track Loaders, and Mini Hydraulic Excavators

### Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants new rubber tracks sold by it for use on Compact Construction Equipment Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators to be free from defects in material and workmanship. The warranty is subject to the following:

#### Warranty Period

The standard warranty period for all new Premium rubber tracks used on Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators is 12 months, or 1500 operating hours, whichever occurs first, starting from the date of delivery to the first user.

The standard warranty period for new General Duty rubber tracks used on Multi Terrain Loaders and Compact Track Loaders is 12 months or 1000 operating hours, whichever occurs first, starting from the date of delivery to the first user.

#### Caterpillar Responsibilities

If a disabling defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat® dealer or other source approved by Caterpillar:

- At Caterpillar's choice, repair or provide an allowance toward the purchase of a new rubber track. Such allowance will be based on accrued hours. Allowance will be calculated as follows:

User Allowance for Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators with Premium rubber tracks:

$$\text{Allowance (\%)} = (1\text{-Track hours}/1500 \text{ hours}) \times 100$$

User Allowance for Multi Terrain Loaders and Compact Track Loaders with General Duty rubber tracks:

$$\text{Allowance (\%)} = (1\text{-Track hours}/1000 \text{ hours}) \times 100$$

- Provide reasonable and customary repair labor needed to correct the defect if product found to be defective and its replacement are both installed by a Cat dealer or other source approved by Caterpillar, or installed on machine prior to sale.

#### User Responsibilities

The user is responsible for:

- Providing proof of the delivery date to the first user.
- All cost associated with transporting the product to and from the place of business of a Caterpillar dealer or other source approved by Caterpillar.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Local taxes, if applicable.
- Any remaining costs of a new rubber track after the calculation of the "User Allowance" as stated under "Caterpillar Responsibilities."

- Parts shipping charges in excess of those that are usual and customary.
- Costs to investigate complaints, unless the problem is caused by a defect in material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.

#### Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from abuse, neglect, or improper repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments and unauthorized fuel setting changes.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.

(Continued on reverse side....)

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

*A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:*

**NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS, WHICH IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.**

**THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.**

**CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.**

**CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.**

**IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.**

*B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:*

**THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.**

**NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.**

**IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.**

**CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.**

**CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.**

**IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.**

*C) For products supplied in Australia:*

**IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:**

**I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR**

**II. PRODUCTS THAT COST AUD 40,000 OR LESS,**

**WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.**

**THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.**

**TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.**

**THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000, THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.**

**TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.**

©2016 Caterpillar All Rights Reserved.

CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow", the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.



## City of Tucson

### License Certificate

Business Name and Tucson Mailing Address:

EMPIRE SOUTHWEST LLC  
PO BOX 2985  
PHOENIX AZ 85062-2985

License Number: 3006282

Type: General Freight Trucking, Local

Issue Date: December 31, 2015

Expiration Date: December 31, 2016

Owner:

EMPIRE SOUTHWEST LLC

This license / permit is **non-transferable** and must be posted in a conspicuous place at the business location.

**THE ISSUANCE OF THIS LICENSE / PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY LAW OR REGULATION.**

FOLD HERE

CITY OF TUCSON, ARIZONA

FINANCE DEPARTMENT

REVENUE DIVISION - LICENSE

Expiration Date: December 31, 2016



Non-Transferable

3006282

**MUST BE DISPLAYED IN  
A CONSPICUOUS PLACE**

### Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson.

Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: EMPIRE SOUTHWEST LLC

Located At: 7600 S NOGALES HY, TUCSON, AZ 85756

Effective: January 01, 2016

Please refer to license number in all correspondence.

By

  
Finance Director



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

TO: Jeffrey Whiting, Contract Officer  
City of Tucson, AZ

FM: Patty Redpath, Governmental Account Manager  
Caterpillar Inc.

RE: Payments for purchases under RFP #161534

As requested in the RFP, this note constitutes formal notice that payments by the City of Tucson for products and services under this contract should be made to our authorized dealer, Empire Machinery.

Payments should be directed to:

Empire Southwest, LLC  
P.O. Box 2985  
Phoenix, AZ 85062-2985

Any questions regarding payments should be directed to your account manager or to [accounts.receivable@empire-cat.com](mailto:accounts.receivable@empire-cat.com).

Cooperative Contracts 2017 - City of Tucson RFP Response

Machine Model*	New Equipment
2016	Discount to Customer (Off List Price)

**Pavers**

AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%

**Rollers**

CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

\*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.



## 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

### Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

### Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

### Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

### Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

### Reclaimers

RM300	14.00%
RM500	14.00%

### Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

### Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

### Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

### Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

## 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

### Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

### Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

### Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

### Site Prep Tractor

586C	20.00%
------	--------

### Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

## 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

### Articulated Trucks

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

### Rigid Frame Trucks

770	10.00%
773	10.00%

### Landfill Compactors

816	14.00%
826	14.00%
836	14.00%

### Wheel Dozers and Soil Compactors

814	15.00%
815	15.00%
824	15.00%
825	15.00%

### Wheel Loaders

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

### Track Loaders

953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%
-----------	--------

Caterpillar Safety Services	15.00%
-----------------------------	--------

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

## Caterpillar Oct. 7, 2016 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	Participant Discount
<b>60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)</b>	
D13	50%
D20	50%
D25	50%
D30	50%
<b>60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)</b>	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%
<b>60 HZ, 40 - 60 kW (Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)</b>	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
<b>60 HZ, 40 - 100 kW (Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGBN" Caterpillar Price List)</b>	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
<b>60 HZ, 125 - 175 kW (Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)</b>	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
<b>60 HZ, 200 kW (Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)</b>	
D200-2 (3 phase)	35%
<b>C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)</b>	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
<b>C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)</b>	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
<b>C13PGAN, 350kW &amp; 400kW</b>	37%
<b>C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)</b>	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	

<b>C15, 60 HZ, 455 - 500 kW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)</b> <b>(EPA &amp; CARB Tier 4 Interim Emissions Certified)</b>	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
<b>C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)</b>	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
<b>C18, 60 HZ, 455 - 500 kW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)</b> <b>(EPA &amp; CARB Tier 4 Final Emissions Certified)</b>	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
<b>C27, 60 HZ, 750 - 800 kW (Reference the "PSNA-EPG-F_C27PGBN" Caterpillar Price List)</b>	
750 kW 480 Volt	33%
800 kW 480 Volt	33%
<b>C27, 60 HZ, 725 - 800 kW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)</b> <b>(EPA &amp; CARB Tier 4 Interim Emissions Certified)</b>	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
<b>C32, 60 HZ, 1000 kW</b> <b>(Reference the "PSNA-EPG-F_C32PKGN" Caterpillar Price List)</b>	
1000 kW 480	37%
<b>3512C, 60 HZ, 1500 kW (EPA Tier 2 &amp; CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)</b> <b>(Reference the "PSNA-EPG-F_3512PGAN" Caterpillar Price List)</b>	
480 V, Standby Rating Only - 1500 kW	33%
12470 V, Standby Rating Only - 1500 kW	33%
<b>3516C, 60 HZ, 2000 kW (EPA Tier 2 &amp; CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)</b> <b>(Reference the "PSNA-EPG-F_3516PGAG" Caterpillar Price List)</b>	
480 V, Standby Rating Only - 2000 kW	33%
12470 V, Standby Rating Only - 2000 kW	33%
<b>3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available</b> <b>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</b>	
	19%
<b>3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available</b> <b>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</b>	
	19%
<b>3516B, 60 HZ, 2000 kW (EPA Tier 1)</b> <b>(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)</b>	
Low/Med Voltage - Standby Rating Only - 2000 kW	32%
High Voltage - Standby Rating Only - 2000 kW	32%
<b>3516B, 60 HZ, 2250 kW (EPA Tier 1)</b> <b>(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)</b>	
Low/Med Voltage - Standby Rating Only - 2250 kW	32%
High Voltage - Standby Rating Only - 2250 kW	32%
<b>3516C HD, 60 HZ, 2500 kW (EPA Tier 2 &amp; CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)</b> <b>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</b>	
Low/Med Voltage - Standby Rating Only - 2500 kW	30%
High Voltage - Standby Rating Only - 2500 kW	30%
<b>3516-PGDL, 2MW, 2.5MW</b>	32%
<b>3516-PGEL, 2MW, 2.5MW Tier 4 Final</b>	19%
<b>G3412, 60 HZ, 1200 RPM, 3 Phase, 480 Volt</b> <b>(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)</b>	
	26%
<b>G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt</b> <b>(Reference the "PSNA-EPG-F_G3508EPG" Caterpillar Price List)</b>	
	17%
<b>G3412PGG Standby, 375kW, 450kW, 500kW</b>	26%
<b>G3512NL Stationary Certified 831bkW, 1095bkW</b>	17%
<b>G3516, 60 HZ, 1800 RPM, 3 Phase, 240 or 480 Volt, Self Excited</b> <b>(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)</b>	
1040 eKW - Standby	17%

G3516, 60HZ, 1200 RPM, 3 Phase, 480 Volt (Reference the "PSNA-EPG-F_G3516AEPG" Caterpillar Price List)	17%
G3516H, 60HZ, 1500 RPM, 3 Phase (Reference the "PSNA-EPG-F_G3516HNG" Caterpillar Price List)	17%
G3520H, 60 HZ (Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List)	17%
G3520, 60 HZ, 2055, 1900, or 1600 eKW (Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List)	17%
<b>CG132, CG170, CG260 (custom)</b> Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets. Each quote is custom for the specific application. However, members will receive a 15% discount off of the configured list price from each member's local dealer.	15%
<b>C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use)</b> (Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List) 4000 kW (with Fan Rating)	24%
<b>C175, 60 HZ, 3000 kW (EPA Tier 4)</b> (Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List) 3000 kW (with Fan Rating)	19%
<b>C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use)</b> (Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List) 3000 kW (with Fan Rating) 3100 kW (without Fan Rating)	26% 26%
<b>G30PGAN, 30kW</b>	
<b>G80PGAN, 50kW, 60kW, 80kW</b>	
<b>G150PGAN, 100kW, 125kW, 150kW</b>	
<b>Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW</b> (Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)	
G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%
G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%
<b>APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)</b>	17%
<b>APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)</b>	17%
<b>APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)</b>	17%
<b>APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)</b>	17%
<b>XQ20N, 60 HZ, 20 kW (EPA Tier 4 &amp; CARB Emissions Certified (Nonroad))</b> (Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List) 20 kW* (3 or 1 phase)	45%
*There are several voltage options available	
<b>XQ30N, 60 HZ, 30 kW (EPA Tier 4 &amp; CARB Emissions Certified (Nonroad))</b> (Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List) 30 kW* (3 or 1 phase)	45%
*There are several voltage options available	
<b>XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final &amp; CARB Emissions Certified (Non-road))</b> (Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)	
<b>XQ60N, 60 HZ, 60 kW (EPA Tier 4 &amp; CARB Emissions Certified (Nonroad))</b> (Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List) 60 kW* (3 or 1 phase)	45%
*There are several voltage options available	

<b>XQ60BN Tier 4 Final</b>	23%
<b>XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim &amp; CARB Emissions Certified (Non-road))</b> (Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)	
182 kW* (3 phase or 1 phase)	45%
<b>XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim &amp; CARB Emissions Certified (Non-road))</b> (Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)	
320 kW* (3 phase or 1 phase)	23%
<b>XQ375BN, 60 HZ, 375 kW (EPA Tier 4 Final &amp; CARB Emissions Certified (Non-road))</b> (Reference the "PSNA-EPG-F_XQ375BN" Caterpillar Price List)	23%
<b>XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final &amp; CARB Emissions Certified (Non-road))</b> (Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)	
455 kW* (3 or 1 phase)	23%
<b>XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final &amp; CARB Emissions Certified (Non-road))</b> (Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
<b>XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim &amp; CARB Emissions Certified (Non-road))</b> (Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
<b>XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 &amp; CARB Emissions Certified)</b> (Reference the "XQ2000N" Caterpillar Price List)	
1825 kW* (3 phase)	19%
<b>Switchgear (customizable)</b>	12%
Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a <b>12% discount</b> off of the configured list price from each member's local dealer.	
<b>UPS (Uninterruptible Power Supply)</b>	
<b>60 HZ, 40 - 130 kVA (Reference the "UPSB130G" Caterpillar Price List)</b>	
UPSB040 (40kVA)	20%
UPSB050 (50 kVA)	20%
UPSB060 (60 kVA)	20%
UPSB080 (80 kVA)	20%
UPSB100 (100 kVA)	20%
UPSB130 (130 kVA)	20%
<b>Plus all price list related options</b>	20%
<b>UPS (Uninterruptible Power Supply)</b>	
<b>Flywheel Options</b>	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UP0300Z - UPS 300 480V 60HZ	20%
UP0600Z - UPS 600 480V 60HZ	20%
UP0900Z - UPS 900 480V 60HZ	20%
UP01200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
<b>Epic (Reference the "CATEPICG" Price List)</b>	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
<b>Supervisory Control Panel (Reference the "CATSCPN" Price List)</b>	
EMCP 4.4 SCP	10%
<b>ATS (AUTOMATIC TRANSFER SWITCHES)</b>	
<b>444 ATS's available via ATS 2014 Price List Password: ATS2011</b>	20%



## Caterpillar Sourced Goods & Support Services Multiplier (Power Systems Only)

### Sourced Goods & Support Service Provided

Custom Shop Work  
Installation  
Delivery/Freight  
Training  
Custom Enclosure  
Custom Fuel Tank  
Custom ATS  
Dealer Labor  
Additional/Custom Parts  
General Contracting Labor  
Maintenance Agreements

### National IPA Member Pricing

5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available

**Electrical Energy Generation Equipment with Related Accessories, Services, and Supplies.**

**CITY OF TUCSON  
DEPARTMENT OF PROCUREMENT**

**REQUEST FOR PROPOSAL NO. 161534**

**Heavy Equipment, Parts, Accessories, Supplies and Related  
Services**

**AMENDMENT NO. ONE (1)**

The referenced document has been modified as per the attached Amendment No. One (1).

**Please sign this Amendment where designated and return the executed copy with the submission of your proposal.** This amendment is hereby made part of the referenced RFP as though fully set forth therein. Any questions regarding this amendment should be addressed to Jeffrey Whiting, Contract Officer at (520) 837-4123 or [Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov).

JW/lr

# REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON  
DEPARTMENT OF PROCUREMENT  
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701  
P.O. BOX 27210, TUCSON, AZ 85726  
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534  
RFP AMENDMENT NO. ONE (1)  
PAGE NO. 1 OF 1  
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time  
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.  
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

## Heavy Equipment, Parts, Accessories, Supplies and Related Services

### ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

### ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1<sup>st</sup> Floor Conference Room, 255 W. Alameda, Tucson AZ 85701**.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.  
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

# CITY OF TUCSON

## REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER: 161534  
PROPOSAL DUE DATE: October 27, 2016 AT 4:00 P.M. LOCAL AZ TIME  
PROPOSAL SUBMITTAL LOCATION: Department of Procurement  
255 W. Alameda, 6<sup>th</sup> Floor, Tucson, AZ 85701

MATERIAL OR SERVICE: HEAVY EQUIPMENT, PARTS, ACCESSORIES,  
SUPPLIES AND RELATED SERVICES

PRE-PROPOSAL CONFERENCE DATE: October 4, 2016

TIME: 10:00 A.M. LOCAL AZ TIME

LOCATION: City Hall, 1<sup>ST</sup> Floor Conference Room  
255 W. Alameda, Tucson, AZ 85701

CONTRACT OFFICER: Jeffrey Whiting  
TELEPHONE NUMBER: (520) 837-4123  
Jeffrey.Whiting@tucsonaz.gov

A copy of this solicitation and possible future amendments may be obtained from our Internet site at: <http://www.tucsonprocurement.com/> by selecting the Bid Opportunities link and the associated solicitation number. The City does not mail out Notices of available solicitations via the U.S. Postal Service. Email notifications are sent to those interested offerors who are registered with us and who have selected email as their preferred delivery method. To register, please visit [www.tucsonprocurement.com](http://www.tucsonprocurement.com), click on Vendors, then click on Vendor Registration. To update an existing record, click on Vendors, click on What's New?, and read the section titled "Notice of Solicitations." You may also call (520) 791-4217 if you have questions.

Competitive sealed proposals for the specified material or service shall be received by the Department of Procurement, 255 W. Alameda, 6th Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Procurement at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Procurement clock.

Proposals must be submitted in a sealed envelope. The Request for Proposal number and the offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contract Officer listed above.

\*\*\*\*ALERT\*\*\*\*

Effective July 1, 2014, the City of Tucson's Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) Program has moved to the Department of Procurement and has become the Business Enterprise and Compliance Program. To contact them, please call (520) 837-4000 or visit the website at [http://www.tucsonprocurement.com/Bidders\\_Page.aspx](http://www.tucsonprocurement.com/Bidders_Page.aspx) and click on SBE or DBE.

JW/lr

PUBLISH DATE: September 27, 2016

## INTRODUCTION

The City of Tucson (herein referred to as the City) is requesting proposals from qualified and experienced firms to provide **HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES**. The City requires a contractor who provides a diverse and extensive supply of equipment for purchase and/or rental to various locations in the Tucson metropolitan area.

Heavy equipment will include, but not be limited to, the following equipment categories: Landfill, Construction, and Material Handling. The City has approximately 150 pieces of heavy equipment that falls under the heavy equipment category.

Requirements and qualifications are defined in detail in the Scope of Services Section of this Request for Proposal (RFP). The City seeks a firm that can supply the specified services, supplies, parts, equipment and materials.

## NATIONAL CONTRACT REQUIREMENTS

The City, as the Principal Procurement Agency, as defined in Attachment A, has partnered with the National Intergovernmental Purchasing Alliance Company ("National IPA") to make the resultant contract (also known as the "Master Agreement" in materials distributed by National IPA) from this solicitation available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), through National IPA's cooperative purchasing program. The City is acting as the contracting agency for any other Public Agency that elects to utilize the resulting Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with National IPA as a Participating Public Agency in National IPA's cooperative purchasing program. Attachment A contains additional information on National IPA and the cooperative purchasing agreement.

National IPA is the public sector arm of Provista, a multi-industry supply chain improvement company providing group organization and business solutions in various markets nationwide. We partner with sister company, Vizient (formally, Novation), to leverage over \$100 billion in annual supply spend to command the best prices on products and services. With corporate, pricing and sales commitments from the Supplier, National IPA provides marketing and administrative support for the Supplier that directly promotes the Supplier's products and services to Participating Public Agencies through multiple channels, each designed to promote specific products and services to Public Agencies on a national basis. Public Agencies benefit from pricing based on aggregate spend and the convenience of a contract that has already been advertised and competed. The Supplier benefits from a contract that allows Participating Public Agencies to directly purchase goods and services without the Supplier's need to respond to additional competitive solicitations. As such, the Supplier must be able to accommodate a nationwide demand for services and to fulfill obligations as a nationwide Supplier and respond to the National IPA documents Attachment A.

The City anticipates spending approximately \$8.5 million for Heavy Equipment over the full potential Master Agreement term (5 years). For Fiscal Year 17, the City anticipates purchasing an articulating haul truck and a water wagon. While no minimum volume is guaranteed to the Supplier, the estimated annual volume of Heavy Equipment purchased under the Master Agreement through National IPA is approximately \$25,000,000. This projection is based on the current annual volumes among the City of Tucson, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through National IPA, and volume growth into other Public Agencies through a coordinated marketing approach between the Supplier and National IPA.

## TENTATIVE SCHEDULE OF EVENTS

To the extent achievable, the following schedule shall govern the review, evaluation and award of the contract. The dates are estimates only and the City reserves the right to modify the dates below as necessary.

Activity	Estimated Finish Date of Activity
RFP Published	September 27, 2016
Pre-proposal conference	October 4, 2016
Proposal due date	October 27, 2016
Anticipated Vendor Interview / Demonstration	November 28 – December 2, 2016
Anticipated Final negotiation completed	December 19, 2016
Contract award & issuance of purchase order	January 9, 2017

## SCOPE OF WORK

### **A. GENERAL REQUIREMENTS**

**1. QUALIFIED FIRMS:** Offerors should meet the minimum qualifications:

- a. Have a strong national presence in the heavy equipment industry.
- b. Have a distribution model capable of delivering heavy equipment nationwide.
- c. Have a demonstrated sales presence.
- d. Be able to meet the minimum requirements of the cooperative purchasing program detailed herein.
- e. Be able to provide the full range of products, equipment, parts, materials and services to meet the demands of the City and all agencies that opt to participate in the cooperative purchasing program with the City.

**2. PRODUCTION REPORTS:** The Contractor or associated dealer must have the ability to furnish the agency ordering equipment and National IPA with MONTHLY progress reports confirming status of delivery dates as agreed upon. These reports shall include, but not be limited to, the following:

- a. Copy of Contractor's order to the factory.
- b. Copy of factory acknowledgment of order indicating scheduled date of production and shipment from factory.
- c. Factory generated computer status reports.
- d. Notification to the City of any changes in production or shipping dates.
- e. Any special information the Contractor shall have that would affect the timely delivery of the vehicles ordered in accordance with original delivery date promise.

In lieu of written reports submitted to Operations/Fleet Services, the Contractor may provide access to an Internet based on-line order tracking system. Any on-line system provided must provide the information required above. The Contractor must provide all access codes necessary to view this information.

**3. DELIVERY and DELIVERY DOCUMENTATION:** The following documents are due upon delivery of the completed vehicles to the City:

- a. Invoice
- b. Warranty document
- c. Level 1 Inspection
- d. Required manuals
- e. RD108-Title

Upon contract award, the Contractor will be required to supply a delivery ticket specifying the purchase order number of each vehicle.

Delivery to the City of Tucson: All deliveries shall be made Monday through Friday from 8:00 a.m. to 3:00 p.m. The Contractor shall be required to give the General Services Department/Fleet Services Division a minimum of 24-hour notification prior to delivery with the anticipated time of delivery and quantity of units to be delivered.

**4. VEHICLE INSPECTION:** The purchasing agency will assist the Contractor or the authorized dealer in arranging for inspection of each piece of equipment purchased. Each vehicle delivered shall be subject to a complete inspection by the General Services Department/Fleet Services Division staff prior to acceptance. Inspection criteria shall include, but not be limited to, conformity to the specifications, mechanical integrity, quality, workmanship and materials. If delivered equipment is returned to the



Contractor prior to acceptance for any reason, all corrections shall be made without any inconvenience to the City.

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Training shall be presented in a quality suitable for videotaping. The City reserves the right to videotape part or all of the training provided at no additional cost to the agency.
6. **REPAIRS:** The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. Transport of the vehicle will not be delayed more than one working day from date of notification.
7. **WARRANTIES:** Offeror shall warrant that all equipment and parts furnished in their offer are newly manufactured and free from defects in material and workmanship from the date the City places the equipment into service. Warranty shall also guarantee accepted trade standards of quality, fitness for the intended uses, and conformance to promises or specified specifications. No other express or implied warranty shall eliminate the vendor's liability as stated herein.

Total Maintenance and Repair (TMR's) must be agreed upon and presented to the City prior to the purchase of equipment and/or rebuilds.

8. **VENDOR SERVICE AND MAINTENANCE:** Contractor will provide and maintain a factory authorized parts and service facility within a reasonable distance to the purchasing location.

For the City, the parts and service facility must be within a 125-mile radius of the City of Tucson Price Service Center (4004 S. Park Avenue, 85714). If warranty service is not provided within the Tucson metro area, the Contractor shall be responsible for all costs, including fuel and labor, of transporting vehicle(s) between the City's Price Service Center and the Contractor's service center. The method of transportation must be mutually agreed to by the Contractor and the City prior to transport.

For service calls, the Contractor must provide a response within 60 minutes.

**Additional Requirement for City of Tucson Landfill:** A service technician must be on-site each morning, Monday-Friday (except holidays) to service and maintain the City of Tucson landfill equipment located at 5300 E. Los Reales Road, Tucson, AZ.

9. **VEHICLE RECALL NOTICES:** In the event of any recall notice, technical service bulletin, or other important notification affecting a vehicle purchased from this contract, a notice shall be sent to the purchasing agency's representative. For the City of Tucson, all notices shall be sent to General Services, Fleet Services Division, 4004 S. Park Avenue, Building 1, Tucson, AZ 85714.

**B. EQUIPMENT AND PRODUCT REQUIREMENTS:**

1. **EQUIPMENT:** A complete and comprehensive line of new and used Heavy Equipment to support various needs of agencies is requested. The categories include, but are not limited to, the following:

**Landfill Equipment:**

Landfill Dozers  
Landfill Compactors  
Landfill Scraper

**Material Handling**

Fork Lift  
Crane / Wheeled  
Crane / Track

**Construction Equipment**

Air Compressor  
Articulated Dump Truck  
Asphalt Cold Planer  
Asphalt Rotary Mixer  
Bucket Truck  
Cement Mixer  
Chip Spreader  
Crack Sealer  
Dozers / Tracked  
Dozers / Wheeled  
Dump Trucks  
Excavators / Tracked  
Excavators / Wheeled  
Ice Resurfacer  
Loaders / Backhoe / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Patcher Truck  
Paver / Tracked  
Paver / Wheeled  
Rollers / Drum / Vibrate  
Rollers / wheeled / Pneumatic  
Rollers / Drum / Wheeled  
Scrapers  
Skid Steer Loaders  
Soil Compactors  
Sweeper / Scrubber  
Sweeper / Street  
Sweeper / walkway  
Telehandlers  
Trailer / Tilt  
Trailer / Flatbed  
Trailer / Drop Neck  
Trailer / Utility  
Trencher  
Water Truck  
Water Wagon

2. **CURRENT EQUIPMENT AND PRODUCTS:** All equipment and products being offered in response to this solicitation shall be in current and ongoing production; shall be formally announced for general marketing purposes; shall be a model or type currently functioning in a user (paying customer) environment and capable of meeting or exceeding all specifications and requirements set forth in this solicitation.
3. **PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

## C. SERVICE REQUIREMENTS

1. **SERVICES:** The City is seeking the inclusion of value-add services. These services may be provided by the authorized manufacturer or dealer and sample categories include, but are not limited to:

- a. **Repair Services:** The ability to provide repair services through authorized manufacturer's facilities or dealers. Repair services may include, but not be limited to, hourly rate for repairs in shop, hourly rate for repairs in field, weld repairs, machining work, etc.
- b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufacturer's recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.

- c. **Warranties:** The ability to provide a full range of extended warranties.
- d. **Lease/Financing Options:** The ability to provide financing options. Identify direct or third party financing or both.
- e. **Trade-In or Buyback Options:** The ability to trade-in used equipment or obtain a guaranteed buy back price at the time of purchase.
- f. **Rental:** The ability to rent heavy equipment through the manufacturer or dealer.
- g. **Incorporation of New Business Enterprises:** The ability to incorporate certain business enterprises (as requested by the City or Participating Agencies) into your distribution, and sales channels.
- h. **Green/Sustainability Program:**
  - 1. Policies: Efforts and policies pertaining to green and sustainability.
  - 2. Products: Impact on product offerings.
  - 3. Distribution: Impact in distribution.
  - 4. Certifications: The industry recognized certifications and standards obtained.
- i. **Training & Education:** The ability to provide on-site and/or online training and educational programs/seminars.
- j. **Customer Support Services:** The policies on replacements, returns, restocking charges, after hours service, after sales support, out of stock, order tracing, technical feedback, quality assurance for orders and drop shipments.
- k. **Other Services/Options:** Other value-add services not included in above categories.

## INSTRUCTIONS TO OFFERORS

### 1. DEFINITION OF KEY WORDS USED IN THE SOLICITATION:

For purposes of this solicitation and subsequent contract, the following definitions shall apply:

**City:** The City of Tucson, Arizona

**Contract:** The legal agreement executed between the City and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the City.

**Contractor/Consultant:** The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City.

**Contract Representative:** The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.

**Director of Procurement:** The contracting authority for the City, authorized to sign contracts and amendments thereto on behalf of the City.

**May:** Indicates something that is not mandatory but permissible.

**Offeror:** The individual, partnership, or corporation who submits a proposal in response to a solicitation.

**Shall, Will, Must:** Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the City's sole discretion, result in the rejection of a proposal as non-responsive.

**Should:** Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

2. **PRE-PROPOSAL CONFERENCE:** If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. Written minutes and/or notes will not be available, therefore attendance is encouraged. If an Offeror is unable to attend the Pre-Proposal Conference questions may be submitted in writing. Offerors are encouraged to submit written questions, via electronic mail or facsimile, at least five days prior to the Request for Proposal due date to the Contract Officer listed above. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine the appropriate action necessary, if any, and may issue a written amendment to the Request for Proposal. Oral statements or instructions will not constitute an amendment to this Request for Proposal.

3. **INQUIRIES:** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

4. **AMENDMENT OF REQUEST FOR PROPOSAL:** The Offeror shall acknowledge receipt of a Request for Proposal Amendment by signing and returning the document by the specified due date and time.

5. **FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror.

There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.

**6. PREPARATION OF PROPOSAL:**

- A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.
- B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.
- C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.
- D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.
- E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
- F. Periods of time, stated as a number of days, shall be in calendar days.
- G. It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any 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 due date and time.
- H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
- I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.

**7. PAYMENT DISCOUNTS:** Payment discount periods shall be computed from the date of receipt of the material/service or correct invoice, whichever is later, to the date City's payment warrant is mailed. Unless freight and other charges are itemized, any discount provided shall be taken on full amount of invoice. Payment discounts of twenty-one calendar days or more shall be deducted from the proposed price in determining the price points. However, the City shall be entitled to take advantage of any payment discount offered by a vendor provided payment is made within the discount period. The payment discount shall apply to all purchases and to all payment methods.

**8. TAXES:** The City of Tucson is exempt from federal excise tax, including the federal transportation tax.

**9. PROPOSAL/SUBMITTAL FORMAT:** An original and 6 copies ( 7 total) of each proposal should be submitted on the forms and in the format specified in the RFP. Offerors shall also submit one electronic copy of the proposal on cd, disc or zip disc in MS Office 2003 or .pdf format. Any confidential information shall be submitted on a separate cd, disc or zip disc. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria including the completed Price Page.** Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.

**10. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his designee. If a proposal or offer is returned with

modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the City's Request for Proposal shall prevail.

- 11. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.
- 12. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.
- 13. CERTIFICATION:** By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:
- A. The submission of the offer did not involve collusion or other anti-competitive practices.
  - B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
  - C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
  - D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.
- 14. WHERE TO SUBMIT PROPOSALS:** In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Procurement at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.
- 15. LATE PROPOSALS:** Late proposals will be rejected.
- 16. OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.
- 17. WITHDRAWAL OF PROPOSAL:** At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.
- 18. DISCUSSIONS:** The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.
- 19. CONTRACT NEGOTIATIONS:** Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any



property rights to the successful offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).

**20. VENDOR APPLICATION:** Prior to the award of a Contract, the successful offeror shall register with the City's Department of Procurement. Registration can be completed at <http://www.tucsonprocurement.com/> by clicking on Vendor Services. Please note that email notifications of newly published solicitations and amendments will be provided to those vendors that select email as their preferred delivery method in their vendor record.

**21. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the Contractor to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

**22. UPON NOTICE OF INTENT TO AWARD:** The apparent successful offeror shall sign and file with the City, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.

**23. AWARD OF CONTRACT:** Notwithstanding any other provision of the Request for Proposal, the City reserves the right to:

- (1) waive any immaterial defect or informality; or
- (2) reject any or all proposals, or portions thereof; or
- (3) reissue the Request for Proposal.

A response to this Request for Proposal is an offer to contract with the City based upon the terms, conditions and Scope of Work contained in the City's Request for Proposal. Proposals do not become contracts unless and until they are executed by the City's Director of Procurement and the City Attorney. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.

**24. PROPOSAL RESULTS:** The name(s) of the successful offeror(s) will be posted on the Procurement Department's Internet site at <http://www.tucsonprocurement.com/> upon issuance of a Notice of Intent to Award or upon final contract execution.

**25. PROTESTS:** A protest shall be in writing and shall be filed with the Director of Procurement. A protest of a Request for Proposal shall be received at the Department of Procurement not less than five (5) working days before the Request for Proposal due date. A protest of a proposed award or of an award shall be filed within ten (10) days after issuance of notification of award or issuance of a notice of intent to award, as applicable. A protest shall include:

- A. The name, address, and telephone number of the protestant;
- B. The signature of the protestant or its representative;
- C. Identification of the Request for Proposal or Contract number;
- D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and
- E. The form of relief requested.

## **PROPOSAL EVALUATION REQUIREMENTS**

### **I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)**

- A. Method of Approach
- B. Price Proposal
- C. Qualifications & Experience

### **II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA:** The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

#### **A. Method of Approach**

##### **1) National Program**

- a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

##### **2) Distribution Network**

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.
- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.
- c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.
- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

##### **3) Product**

- a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:
  - 1. Identification and description of equipment categories offered.
  - 2. Identification and description of sub categories.
  - 3. Identify accessories, parts, services, etc. that are available through the manufacturer.
  - 4. Identify accessories, parts, services, etc. that are available through the authorized dealer.
  - 5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

6. Do you offer color choices for each product listed?
  - b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:
    1. types of warranties available (by category or equipment)
    2. description of your warranty claims procedures.
    3. description of your policy addressing warranty issues related to:
      - i. Major Component Failures
      - ii. Engineering Deficiencies
      - iii. Describe your firm's standard response time to address warranty failure issues.
  - c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.
  - d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.
  - e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.
  - f. Submit all information that will aid the City in evaluating your proposal
- 4) Service
- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:
    1. Provide detailed information explaining your service capabilities.
    2. Provided detailed information explaining the service capabilities of your authorized dealers.
    3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?
    4. Describe your training programs, addressing, at a minimum, the following:
      - i. How will equipment training be conducted?
      - ii. Describe the training curriculum for the equipment operators.
      - iii. Describe the training curriculum for the service technicians.
      - iv. How will you accommodate various work shifts?
      - v. What type of documentation is provided with the proposed training?
      - vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
      - vii. Is the training provided by the manufacturer, dealer or both?

5) Ordering and Invoices

- a. Describe your order process.
- b. How do agencies work with your firm to determine appropriate equipment needs?
- c. Describe the equipment delivery process and your delivery commitment.
- d. What is your standard equipment delivery timeframes?
- e. How does your firm communicate order cut off dates to your customers?
- f. Identify and describe any exceptions or challenges.
- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.
- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.
- i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.
- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.
- k. Titles- will equipment be provided with proof of registration with the state?
- l. Will each product be delivered free of distributor advertising?

6) Other

- a. Describe any government rebate programs applicable.

**B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

- 2) Based on your distribution network, explain how freight is calculated.
- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contract. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.
- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.
- 5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.
- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.
- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by \_\_\_\_\_%, if payment is made within \_\_\_\_\_ days. These payment terms shall apply to all purchases and to all payment methods.
- 8) Will payment be accepted via commercial credit card? \_\_\_\_\_Yes \_\_\_\_\_No
  - a. If yes, can commercial payment(s) be made online? \_\_\_\_\_Yes \_\_\_\_\_No
  - b. Will a third party be processing the commercial credit card payment(s)? \_\_\_\_\_Yes \_\_\_\_\_No
  - c. If yes, indicate the flat fee per transaction \$\_\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
  - d. If “no” to above, will consideration be given to accept the card? \_\_\_\_\_Yes \_\_\_\_\_No
- 9) Does your firm have a City of Tucson Business License? \_\_\_\_\_Yes \_\_\_\_\_No
  - a. If yes, please provide a copy of your City of Tucson Business license.

### **C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.
- 2) Describe your dealer network and their role in providing products and services under this contract.
- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.
- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.
- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.
- 7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

### **III. GENERAL**

#### **A. Shortlist:**

The City reserves the right to shortlist the offerors based on the stated criteria. However, the City may determine that shortlisting is not necessary.

#### **B. Interviews:**

The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

#### **C. Additional Investigations:**

The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

#### **D. Prior Experience:**

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

#### **E. Multiple Awards:**

To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

## SPECIAL TERMS AND CONDITIONS

1. **FEDERAL, STATE AND LOCAL TAXES, LICENSES AND PERMITS:** The Supplier shall comply with all Federal, State, and local licenses and permits required for the operation of the business conducted by the Supplier as applicable to this Contract. The Supplier shall, at no expense to the City, National IPA, or other Participating Public Agencies, procure and keep in force during the entire period of the Agreement all such permits and licenses.
2. **SUBCONTRACTORS:** No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement. All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.
3. **FOB DESTINATION FREIGHT PREPAID:** Prices shall be FOB Destination Freight Prepaid to the delivery location designated. Contractor shall retain title and control of all goods until they are delivered and the Contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the Contractor. All claims for visible or concealed damage shall be filed by the Contractor. The City will assist the Contractor in arranging for inspection.
4. **INSURANCE:** The Contractor agrees to:
  - A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
  - B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.
  - C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
<b>I. Commercial General Liability:</b>	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
<b>II. Commercial Automobile Liability</b>	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000



III. Workers' Compensation (applicable to the State of Arizona)* <sup>1</sup>	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
IV. Garage Liability & Garage Keepers Liability - In addition to I, II, III	
Garage Liability	\$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	\$ 500,000
Each Occurrence	\$1,000,000

\*<sup>1</sup> Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation.

**D. ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

**E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Contractor to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.

**F. ACCEPTABILITY OF INSURERS:** Contractors insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

**G. VERIFICATION OF COVERAGE:** Contractor shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- H. SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance.
- 5. PAYMENTS:** All payments made by the City of Tucson for goods or services will be made to the vendor named on the Offer and Acceptance form. If you do not wish payment to be made to that address, you must submit an attached sheet indicating the proper mailing address with this bid.
- 6. RIGHT TO TERMINATE FOR CHANGE IN OWNERSHIP OR MATERIAL RESTRUCTURE OF THE CONTRACTOR:** In addition to the Termination of Contract clause in the Standard Terms and Conditions section of this solicitation and resulting contract, the City reserves the right to cancel the whole or part of this contract within 60 days written notice of the completion of any material change of ownership in the Contractor's company, including its sale, merger, consolidation or dissolution.
- 7. TERM AND RENEWAL:** The term of the Contract shall commence upon award and shall remain in effect for a period of one (1) year, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City shall have the right, at its sole option, to renew the Contract for four (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.
- Any job orders, project agreements or maintenance agreements executed against this Master Agreement during the effective term may survive beyond the expiration of the Master Agreement as established and agreed to by both parties.
- 8. PRICE ADJUSTMENT:** The City will review fully documented requests for price adjustment after any Contract has been in effect for one (1) year. Any price adjustment will only be made at the time of Contract renewal and/or extension and will be a factor in the extension review process. The City will determine whether the requested price adjustment or an alternate option, is in the best interest of the City. Any price adjustment will be effective upon the effective date of the Contract extension.
- 9. MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the Contractor as a condition of their intended purchase transaction. If the Contractor chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.
- 10. COOPERATIVE PURCHASING:** Any Contract resulting from this solicitation shall be for the use of the City of Tucson. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tucson's Department of Procurement or registered with National IPA are eligible to participate in any subsequent Contract. See [http://www.tucsonprocurement.com/coop\\_partners.aspx](http://www.tucsonprocurement.com/coop_partners.aspx) and click on Cooperatives for a list of the public and nonprofit agencies that have currently entered into Cooperative Purchasing Agreements with the City of Tucson. Additionally, this contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See <http://www.maricopa.gov/Materials/PubDocuments/SAVE-members.pdf> for a listing of participating agencies. The parties agree that these lists are subject to change.

Any orders placed to, or services required from, the successful Contractor(s) will be requested by each participating agency. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The Contractor may negotiate additional expenses incurred as a result of participating agencies' usage of this contract (i.e., freight charges, travel related expenses, etc.). The City shall not be responsible for any disputes arising out of transactions made by others.

The Contractor(s) will provide an electronic copy of the complete Contract to the City of Tucson Department of Procurement upon receipt of the Notice of Intent to Award. At the City's request, the successful Contractor(s) may also be requested to provide an electronic copy of the complete Contract to a participating agency.

## STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.
2. **AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.
3. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.
4. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.
5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.
6. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.
7. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.
8. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.
9. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.
10. **CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:
  - A. Amend the contract or enter into supplemental verbal or written agreements;
  - B. Grant time extensions or contract renewals;
  - C. Otherwise modify the scope or terms and provisions of the contract.

This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

11. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Director of Procurement, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.
12. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.

- 13. DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.
- 14. EQUAL PAY:** The Contractor shall comply with the applicable provisions of the Equal Pay Act of 1963 (Pub.L. 88-38, 29 U.S.C. section 206(d)); Title VII of the Civil Rights Act of 1964 (Pub.L. 88-352, 42 U.S.C. 2000e *et seq.*; and, the Lily Ledbetter Fair Pay Act of 2009 (Pub.L. 111-2).
- 15. EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.
- 16. FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

- 17. FORCE MAJEURE:** Except for payment 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 by reason of 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. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

- 18. GRATUITIES:** The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.

- 19. HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.

- 20. INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers,

directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.

Contractor is responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Contractor is responsible for all applicable IRS reporting requirements related to ACA. If Contractor or any of Contractor's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an assessed penalty against the City, or Contractor fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, Contractor indemnifies City from and shall pay any assessed tax penalty.

- 21. INDEPENDENT CONTRACTOR:** It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, holidays, paid vacation, sick days, or pension contributions by the City. The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses. Contractor is responsible for compliance with the Affordable Care Act for Contractor and any of Contractor's employees.

- 22. INSPECTION AND ACCEPTANCE:** All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

- 23. INTERPRETATION-PAROLE EVIDENCE:** This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.

- 24. LICENSES:** Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

- 25. LIENS:** All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

- 26. NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.

- 27. NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.

- 28. OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

- 29. PAYMENT:** The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

- 30. PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.
- 31. PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
- 32. RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.
- 33. RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.
- 34. RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.
- 35. RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
- 36. SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.
- 37. SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.
- 38. SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
- 39. SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.
- 40. TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

- 41. TITLE AND RISK OF LOSS:** The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.
- 42. WARRANTIES:** Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.



## OFFER AND ACCEPTANCE

### OFFER

#### TO THE CITY OF TUCSON:

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

\_\_\_\_\_  
Company Name

Name: \_\_\_\_\_

\_\_\_\_\_  
Address

Title: \_\_\_\_\_

\_\_\_\_\_  
City State Zip

Phone: \_\_\_\_\_

\_\_\_\_\_  
Signature of Person Authorized to Sign

Fax: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

E-mail: \_\_\_\_\_

\_\_\_\_\_  
Title

### ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-\_\_\_\_\_.

**CITY OF TUCSON**, a municipal corporation

Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Awarded this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
As Tucson City Attorney and not personally

\_\_\_\_\_  
Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM  
As Director of Procurement and not personally

## **ATTACHMENTS**

ATTACHMENT A: National IPA Exhibits

Attachment A



**Requirements for National Cooperative Contract  
To be Administered by  
National Intergovernmental Purchasing Alliance Company**

The following documents are used in evaluating and administering national cooperative contracts and are included for Supplier's review and response.

National IPA Exhibit A – NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT

National IPA Exhibit B – NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE

National IPA Exhibit C – NATIONAL IPA MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT, EXAMPLE

National IPA Exhibit D – NATIONAL IPA PRINCIPAL PROCUREMENT AGENCY CERTIFICATE, EXAMPLE

National IPA Exhibit E – NATIONAL IPA CONTRACT SALES REPORTING TEMPLATE

National IPA Exhibit F – NATIONAL IPA ADVERTISING COMPLIANCE REQUIREMENT

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

**1.0 Scope of National Cooperative Contract**

**1.1 Requirement**

The City of Tucson (hereinafter defined and referred to as “Principal Procurement Agency”), on behalf of itself and the National Intergovernmental Purchasing Alliance Company (“National IPA”), is requesting proposals for Heavy Equipment, Parts, Accessories, Supplies and Related Services. The intent of this Request for Proposal is that any contract between Principal Procurement Agency and Supplier resulting from this Request for Proposal (hereinafter defined and referred to as the “Master Agreement”) be made available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit (“Public Agencies”), through National IPA’s cooperative purchasing program. The Principal Procurement Agency has executed a Principal Procurement Agency Certificate with National IPA (an example of which is included as Exhibit D) and has agreed to pursue the Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with National IPA as a Participating Public Agency in National IPA’s cooperative purchasing program. Registration with National IPA as a Participating Public Agency is accomplished by Public Agencies entering into a Master Intergovernmental Cooperative Purchasing Agreement, an example of which is attached as Exhibit C. The terms and pricing established in the resulting Master Agreement between the Supplier and the Principal Procurement Agency will be the same as that available to Participating Public Agencies through National IPA.

All transactions, purchase orders, invoices, payments etc., will occur directly between the Supplier and each Participating Public Agency individually, and neither National IPA, any Principal Procurement Agency nor any Participating Public Agency, including their respective agents, directors, employees or representatives, shall be liable to Supplier for any acts, liabilities, damages, etc., incurred by any other Participating Public Agency.

This Exhibit A defines the expectations for qualifying Suppliers based on National IPA’s requirements to market the resulting Master Agreement nationally to Public Agencies. Each section in this Exhibit A refers to the capabilities, requirements, obligations, and prohibitions of competing Suppliers on a national level in order to serve Participating Public Agencies through National IPA.

These requirements are incorporated into and are considered an integral part of this RFP. National IPA reserves the right to determine whether or not to make the Master Agreement awarded by the Principal Procurement Agency available to Participating Public Agencies.

**1.2 Marketing, Sales and Administrative Support**

During the term of the Master Agreement National IPA intends to provide marketing, sales and administrative support for Supplier pursuant to this section 1.2 that directly promotes the Supplier’s products and services to Participating Public

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

Agencies through multiple channels, each designed to promote specific products and services to Public Agencies on a national basis.

The National IPA marketing team will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

- A. Marketing collateral (print, electronic, email, presentations)
- B. Website development and support
- C. Trade shows/conferences/meetings
- D. Advertising
- E. Social Media
- F. Sales Team Support

The National IPA sales teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

- A. Individual sales calls
- B. Joint sales calls
- C. Communications/customer service
- D. Training sessions for Public Agency teams
- E. Training sessions for Supplier teams

The National IPA contracting teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies prospective Public Agencies through:

- A. Serving as the subject matter expert for questions regarding joint powers authority and state statutes and regulations for cooperative purchasing
- B. Training sessions for Public Agency teams
- C. Training sessions for Supplier teams
- D. Regular business reviews to monitor program success
- E. General contract administration

Suppliers are required to pay an administrative fee of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

Capitalized terms not otherwise defined herein shall have the meanings given to them in the Master Agreement or in the National Intergovernmental Purchasing Alliance Company Administration Agreement between Supplier and National IPA (the "National IPA Administration Agreement")

### **1.3 Estimated Volume**

The dollar volume purchased under the Master Agreement is estimated to be approximately \$25,000,000 annually. While no minimum volume is guaranteed to Supplier, the estimated annual volume is projected based on the current annual volumes among the Principal Procurement Agency, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through National IPA, and volume growth into other Public

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

Agencies through a coordinated marketing approach between Supplier and National IPA.

**1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the Supplier (Contract Sales are reported to National IPA).

**1.5 Objectives of Cooperative Program**

This RFP is intended to achieve the following objectives regarding availability through National IPA's cooperative program:

- A. Provide a comprehensive competitively solicited and awarded national agreement offering the Products covered by this solicitation to Participating Public Agencies;
- B. Establish the Master Agreement as the Supplier's primary go to market strategy to Public Agencies nationwide;
- C. Achieve cost savings for Supplier and Public Agencies through a single solicitation process that will reduce the Supplier's need to respond to multiple solicitations and Public Agencies need to conduct their own solicitation process;
- D. Combine the aggregate purchasing volumes of Participating Public Agencies to achieve cost effective pricing.

**2.0 REPRESENTATIONS AND COVENANTS**

As a condition to Supplier entering into the Master Agreement, which would be available to all Public Agencies, Supplier must make certain representations, warranties and covenants to both the Principal Procurement Agency and National IPA designed to ensure the success of the Master Agreement for all Participating Public Agencies as well as the Supplier.

**2.1 Corporate Commitment**

Supplier commits that (1) the Master Agreement has received all necessary corporate authorizations and support of the Supplier's executive management, (2) the Master Agreement is Supplier's primary "go to market" strategy for Public Agencies, (3) the Master Agreement will be promoted to all Public Agencies, including any existing customers, and Supplier will transition existing customers, upon their request, to the Master Agreement, and (4) that the Supplier has read and agrees to the terms and

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS**  
**EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

conditions of the Administration Agreement with National IPA and will execute such agreement concurrent with and as a condition of its execution of the Master Agreement with the Principal Procurement Agency. Supplier will identify an executive corporate sponsor and a separate national account manager within the RFP response that will be responsible for the overall management of the Master Agreement.

**2.2 Pricing Commitment**

Supplier commits the not-to-exceed pricing provided under the Master Agreement pricing is its lowest available (net to buyer) to Public Agencies nationwide and further commits that if a Participating Public Agency is eligible for lower pricing through a national, state, regional or local or cooperative contract, that the Supplier will match such lower pricing to that Participating Public Agency under the Master Agreement.

**2.3 Sales Commitment**

Supplier commits to aggressively market the Master Agreement as its go to market strategy in this defined sector and that its sales force will be trained, engaged and committed to offering the Master Agreement to Public Agencies through National IPA nationwide. Supplier commits that all Master Agreement sales will be accurately and timely reported to National IPA in accordance with the National IPA Administration Agreement. Supplier also commits that its sales force will be compensated, including sales incentives, for sales to Public Agencies under the Master Agreement in a consistent or better manner compared to sales to Public Agencies if the Supplier were not awarded the Master Agreement.

**3.0 SUPPLIER QUALIFICATIONS**

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

**3.1 Company**

- A. Brief history and description of your company.
- B. Total number and location of sales persons employed by your company.
- C. Number and location of support centers (if applicable).
- D. Annual sales for the three previous fiscal years.
- E. Submit your FEIN and Dunn & Bradstreet report.

**3.2 Distribution, Logistics**

- A. Describe how your company proposes to distribute the products/service nationwide.
- B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.
- C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.
- D. State any return and restocking policy and fees, if applicable, associated with returns.
- E. Describe the full line of products and services offered by your company.

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

**3.3 Marketing and Sales**

- A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
- i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days
  - ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days
- B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
- i. Creation and distribution of a co-branded press release to trade publications
  - ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days
  - iii. Design, publication and distribution of co-branded marketing materials within first 90 days
  - iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
  - v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.
  - vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
  - vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
  - viii. Dedicated National IPA internet web-based homepage on Supplier website with:
    - National IPA standard logo;
    - Copy of original Request for Proposal;
    - Copy of contract and amendments between Principal Procurement Agency and Supplier;
    - Summary of Products and pricing;
    - Marketing Materials
    - Electronic link to National IPA's website including the online registration page;
    - A dedicated toll free number and email address for National IPA
- C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and



**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS**  
**EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

- national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.
- D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.
- E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
- i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
  - ii. Best government pricing
  - iii. No cost to participate
  - iv. Non-exclusive contract
- F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
- i. Key features of Master Agreement
  - ii. Working knowledge of the solicitation process
  - iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
  - iv. Knowledge of benefits of the use of cooperative contracts
- G. Provide contact information for the person(s), who will be responsible for:
- i. Marketing
  - ii. Sales
  - iii. Sales Support
  - iv. Financial Reporting
  - v. Contracts
- H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.
- I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.
- J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, etc.
- K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.
- L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.
- M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

\$\_\_\_\_\_.00 in year one  
\$\_\_\_\_\_.00 in year two  
\$\_\_\_\_\_.00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

- N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.
- i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
  - ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
  - iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
  - iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY  
ADMINISTRATION AGREEMENT**

This ADMINISTRATION AGREEMENT (the "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, between National Intergovernmental Purchasing Alliance Company ("National IPA"), and \_\_\_\_\_ (herein "Supplier").

**RECITALS**

**WHEREAS**, the \_\_\_\_\_ (herein "Principal Procurement Agency") has entered into a Master Agreement effective \_\_\_\_\_, Agreement No\_\_\_\_\_, by and between the Principal Procurement Agency and Supplier, (as may be amended from time to time in accordance with the terms thereof, the "Master Agreement"), as attached hereto as Exhibit A and incorporated herein by reference as though fully set forth herein, for the purchase of \_\_\_\_\_ (herein "Product");

**WHEREAS**, said Master Agreement provides that any or all public agencies, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), that register (either via registration on the National IPA website or execution of a Master Intergovernmental Cooperative Purchasing Agreement, attached hereto as Exhibit B) (hereinafter referred to as a "Participating Public Agency") may purchase Product at prices stated in the Master Agreement;

**WHEREAS**, Participating Public Agencies may access the Master Agreement which is offered through National IPA to Public Agencies;

**WHEREAS**, National IPA serves as the contract administrator of the Master Agreement on behalf of Principal Procurement Agency;

**WHEREAS**, Principal Procurement Agency desires National IPA to proceed with administration of the Master Agreement; and

**WHEREAS**, National IPA and Supplier desire to enter into this Agreement to make available the Master Agreement to Participating Public Agencies and to set forth certain terms and conditions governing the relationship between National IPA and Supplier.

**NOW, THEREFORE**, in consideration of the payments to be made hereunder and the mutual covenants contained in this Agreement, National IPA and Supplier hereby agree as follows:

**DEFINITIONS**

1. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Master Agreement.

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

**TERMS AND CONDITIONS**

2. The Master Agreement and the terms and conditions contained therein shall apply to this Agreement except as expressly changed or modified by this Agreement. Supplier acknowledges and agrees that the covenants and agreements of Supplier set forth in the solicitation and Supplier's response thereto resulting in the Master Agreement are incorporated herein and are an integral part hereof.

3. National IPA shall be afforded all of the rights, privileges and indemnifications afforded to Principal Procurement Agency by or from Supplier under the Master Agreement, and such rights, privileges and indemnifications shall accrue and apply with equal effect to National IPA, its agents, employees, directors, and representatives under this Agreement including, but not limited to, the Supplier's obligation to provide appropriate insurance.

4. National IPA shall perform all of its duties, responsibilities and obligations as contract administrator of the Master Agreement on behalf of Principal Procurement Agency as set forth herein, and Supplier hereby acknowledges and agrees that all duties, responsibilities and obligations will be undertaken by National IPA solely in its capacity as the contract administrator under the Master Agreement.

5. With respect to any purchases by Principal Procurement Agency or any Participating Public Agency pursuant to the Master Agreement, National IPA: (i) shall not be construed as a dealer, re-marketer, representative, partner or agent of any type of the Supplier, Principal Procurement Agency or any Participating Public Agency; (ii) shall not be obligated, liable or responsible for any order for Product made by Principal Procurement Agency or any Participating Public Agency or any employee thereof under the Master Agreement or for any payment required to be made with respect to such order for Product; and (iii) shall not be obligated, liable or responsible for any failure by Principal Procurement Agency or any Participating Public Agency to comply with procedures or requirements of applicable law or the Master Agreement or to obtain the due authorization and approval necessary to purchase under the Master Agreement. National IPA makes no representation or guaranty with respect to any minimum purchases by Principal Procurement Agency or any Participating Public Agency or any employee thereof under this Agreement or the Master Agreement.

**TERM OF AGREEMENT**

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Supplier to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

**NATIONAL PROMOTION**

7. National IPA and Supplier shall publicize and promote the availability of the Master Agreement's products and services to Public Agencies and such agencies' employees. Supplier's failure to maintain its covenants and commitments contained in this Agreement or any action of the Supplier which gives rise to a right by Principal Procurement Agency to terminate the Master Agreement shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of this Agreement at

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

National IPA's sole discretion. Notwithstanding anything contained herein to the contrary, this Agreement shall terminate on the date of the termination or expiration of the Master Agreement.

8. Supplier shall require each Public Agency to register its participation in the National IPA program by either registering on the National IPA website, [www.nationalipa.org](http://www.nationalipa.org), or executing a Master Intergovernmental Cooperative Purchasing Agreement prior to processing the Participating Public Agency's first sales order.

9. Upon request, Supplier shall make available to interested Public Agencies a copy of the Master Agreement and such price lists or quotes as may be necessary for such Public Agencies to evaluate potential purchases. In addition, Supplier shall provide such marketing and administrative support as set forth in the solicitation resulting in the Master Agreement, including assisting in development of marketing materials as reasonably requested by Principal Procurement Agency and National IPA. Supplier and National IPA shall provide each respective party with its logo ("Logo") and the standard terms of use for its general use in marketing the Master Agreement. Both parties shall obtain written approval from the other party prior to use of such party's Logo. Notwithstanding, the parties understand and agree that except as provided herein neither party shall have any right, title or interest in the other party's Logo. Upon termination of this Agreement, each party shall immediately cease use of the other party's Logo.

**MONTHLY REPORTING & FEES**

10. Supplier shall pay National IPA an administrative fee in the amount of \_\_\_% of the total purchase amount paid to Supplier, less refunds, credits on returns, rebates and discounts, for the sale of products and/or services to Principal Procurement Agency and Participating Public Agencies pursuant to the Master Agreement (as amended from time to time and including any renewal thereof) ("Contract Sales"). Supplier shall provide National IPA with an electronic accounting report, in Microsoft Excel, in the format prescribed by National IPA, on a monthly basis summarizing all Contract Sales for the applicable month. A sample of the Contract Sales reporting format is provided as Exhibit C, attached hereto and incorporated herein by reference.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10<sup>th</sup> day of the following month. Such reports shall be accompanied by an administrative fee payment in the amount indicated on the report as being due. Administrative fee payments are to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

12. Supplier shall maintain an accounting of all purchases made by Participating Public Agencies under the Master Agreement. National IPA, or its designee, in National IPA's sole discretion, reserves the right to compare Participating Public Agency records with monthly reports submitted by Supplier for a period of four (4) years from the date National IPA receives such monthly report. National IPA may engage a third party to conduct an independent audit of

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

Supplier's monthly reports. In the event of such an audit, Supplier shall provide all materials reasonably requested relating to such audit by National IPA at the location designated by National IPA. In the event an underreporting of Contract Sales and a resulting underpayment of administrative fees is revealed, National IPA will notify the Supplier in writing. Supplier will have thirty (30) days from the date of such notice to resolve the discrepancy to National IPA's reasonable satisfaction, including payment of any administrative fees due and owing, together with interest thereon in accordance with Section 11, and reimbursement of National IPA's costs and expenses related to such audit.

**GENERAL PROVISIONS**

13. This Agreement, the Master Agreement and the exhibits referenced herein supersede any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereto and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained or incorporated herein shall be valid or binding. In the event of any conflict between the provisions of this Agreement and the Master Agreement, as between National IPA and Supplier, the provisions of this Agreement shall prevail.

14. If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement or to recover any administrative fee and accrued interest, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA.

16. All written communications given hereunder shall be delivered by first-class mail, postage prepaid, or overnight delivery on receipt to the addresses as set forth below.

**A. National Intergovernmental Purchasing Alliance Company**

National IPA  
Attn: President  
2555 Meridian Blvd  
Suite 300  
Franklin, TN 37067

**B. Supplier**

17. If any provision of this Agreement shall be deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever, and this Agreement will be construed by limiting or invalidating such provision to the minimum extent necessary to make such provision valid, legal and enforceable.

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

18. This Agreement may not be amended, changed, modified, or altered without the prior written consent of the parties hereto, and no provision of this Agreement may be discharged or waived, except by a writing signed by the parties. A waiver of any particular provision will not be deemed a waiver of any other provision, nor will a waiver given on one occasion be deemed to apply to any other occasion.

19. This Agreement shall inure to the benefit of and shall be binding upon National IPA, the Supplier and any respective successor and assign thereto; subject, however, to the limitations contained herein.

20. This Agreement will be construed under and governed by the laws of the state of Delaware, excluding its conflicts of law provisions.

Authorized Signature, Supplier

NATIONAL INTERGOVERNMENTAL  
PURCHASING ALLIANCE COMPANY

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Ward H. Brown  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Chief Operating Officer  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT C – NATIONAL IPA MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING  
AGREEMENT, EXAMPLE

**MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT**

This Master Intergovernmental Cooperative Purchasing Agreement (the “**Agreement**”) is entered into by and between those certain government agencies that execute a Principal Procurement Agency Certificate (“**Principal Procurement Agencies**”) with National Intergovernmental Purchasing Alliance Company (“**National IPA**”) to be appended and made a part hereof and such other public agencies (“**Participating Public Agencies**”) who register to participate in the cooperative purchasing programs administered by National IPA and its affiliates and subsidiaries (collectively the “**National IPA Parties**”) by either registering on a National IPA Party website (such as [www.nationalipa.org](http://www.nationalipa.org)), or by executing a copy of this Agreement.

**RECITALS**

**WHEREAS**, after a competitive solicitation and selection process by Principal Procurement Agencies, a number of suppliers have entered into “**Master Agreements**” (herein so called) to provide a variety of goods, products and services (“**Products**”) to the applicable Principal Procurement Agency and the Participating Public Agencies;

**WHEREAS**, Master Agreements are made available by Principal Procurement Agencies through the National IPA Parties and provide that Participating Public Agencies may purchase Products on the same terms, conditions and pricing as the Principal Procurement Agency, subject to any applicable federal and/or local purchasing ordinances and the laws of the State of purchase;

**WHEREAS**, in addition to Master Agreements, the National IPA Parties may from time to time offer Participating Public Agencies the opportunity to acquire Products through other group purchasing agreements;

**NOW, THEREFORE**, in consideration of the mutual promises contained in this Agreement, and of the mutual benefits to result, the parties agree as follows:

1. That each party will facilitate the cooperative procurement of Products.
  2. That the procurement of Products by Participating Public Agencies subject to this Agreement shall be conducted in accordance with and subject to the relevant federal, state and local statutes, ordinances, rules and regulations that govern Participating Public Agency’s procurement practices.
  3. That the cooperative use of Master Agreements and other group purchasing agreements shall be in accordance with the terms and conditions of such agreements, except as modification of those terms and conditions is otherwise allowed or required by applicable federal, state or local law.
  4. That the Principal Procurement Agencies will make available, upon reasonable request and subject to convenience, Master Agreement information which may assist in improving the procurement of Products by the Participating Public Agencies.
  5. That the Participating Public Agency agrees that the National IPA Parties may provide access to group purchasing organization (“**GPO**”) agreements directly or
- Requirements for National Cooperative Contract



**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT C- NATIONAL IPA MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING  
AGREEMENT, EXAMPLE**

indirectly by enrolling the Participating Public Agency in another GPO's purchasing program, including but not limited to Vizient Supply, LLC, Provista, Inc. and other National IPA affiliates and subsidiaries; provided that the purchase of Products through a National IPA Party or any other GPO shall be at the Participating Public Agency's sole discretion.

6. That the Participating Public Agencies (each a "**Procuring Party**") that procure Products through any Master Agreement or GPO Product supply agreement (each a "**GPO Contract**") will make timely payments to the distributor, manufacturer or other vendor (collectively, "**Supplier**") for Products received in accordance with the terms and conditions of the Master Agreement or GPO Contract, as applicable. Payment for Products and inspections and acceptance of Products ordered by the Procuring Party shall be the exclusive obligation of such Procuring Party. Disputes between Procuring Party and any Supplier shall be resolved in accordance with the law and venue rules of the State of purchase unless otherwise agreed to by the Procuring Party and Supplier.
7. The Procuring Party shall not use this Agreement as a method for obtaining additional concessions or reduced prices for similar products or services.
8. The Procuring Party shall be responsible for the ordering of Products under this Agreement. A non-procuring party shall not be liable in any fashion for any violation by a Procuring Party, and the Procuring Party shall hold non-procuring party harmless from any liability that may arise from action or inaction of the Procuring Party. Without limiting the generality of the foregoing, the National IPA Parties make no representations or warranties regarding any Product, Master Agreement or GPO Contract, and shall have no liability for any act or omission by a Supplier or other party under a Master Agreement or GPO Contract.
9. This Agreement shall remain in effect until termination by a party giving 30 days written notice to the other party. The provisions of paragraphs 6, 7 and 8 hereof shall survive any such termination.
10. This Agreement shall take effect upon (i) execution of the Principal Procurement Agency Certificate or (ii) the registration on a National IPA Party website or the execution of this Agreement by a Participating Public Agency, as applicable.

**PRINCIPAL PROCUREMENT AGENCY CERTIFICATE**

In its capacity as Principal Procurement Agency for National IPA, NAME OF PPA agrees to pursue Master Agreements for Products as specified in the attached exhibits to this Principal Procurement Agency Certificate.

I hereby acknowledge, in my capacity as \_\_\_\_\_ of and on behalf of NAME OF PPA (“Principal Procurement Agency”), that I have read and hereby agree to the general terms and conditions set forth in the attached Master Intergovernmental Cooperative Purchasing Agreement regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Principal Procurement Agencies to Participating Public Agencies nationwide through National Intergovernmental Purchasing Alliance Company (“National IPA”) pursuant to the terms of the Administrative Agreement by and between National IPA and the applicable supplier.

I understand that the purchase of one or more Products under the provisions of the Master Intergovernmental Cooperative Purchasing Agreement is at the sole and complete discretion of the Participating Public Agency.

Authorized Signature, Principal Procurement Agency

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT E – NATIONAL IPA CONTRACT SALES REPORTING TEMPLATE**

<b>NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS</b>									
<b>EXHIBIT C - NATIONAL IPA CONTRACT SALES REPORTING TEMPLATE</b>									
(to be submitted <u>electronically</u> in Microsoft Excel format)									
<b>National IPA Contract Sales Monthly Report</b>									
<b>Supplier Name:</b>									
<b>Contract Sales Report Month:</b>									
<b>Contract ID:</b>									
Participating Agency Name	Address	City	State	Zip Code	Participating Agency # {Assigned by National IPA and provided to Supplier}	Transaction Date (Date of Sale)	Contract Sales for Month (\$)	Admin Fee %	Admin Fee \$
Report Totals									
Cumulative Contract Sales									

# NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS

## EXHIBIT F- NATIONAL IPA ADVERTISING COMPLIANCE REQUIREMENT

Pursuant to certain state notice provisions, including but not limited to Oregon Revised Statutes Chapter 279A.220, the following public agencies and political subdivisions of the referenced public agencies are eligible to register with National IPA and access the Master Agreement contract award made pursuant to this solicitation, and are hereby given notice of the foregoing request for proposals for purposes of complying with the procedural requirements of said statutes:

Nationwide:

State of Alabama*	State of Hawaii	State of Massachusetts	State of New Mexico	State of South Dakota
State of Alaska	State of Idaho	State of Michigan	State of New York	State of Tennessee
State of Arizona	State of Illinois	State of Minnesota	State of North Carolina	State of Texas
State of Arkansas	State of Indiana	State of Mississippi	State of North Dakota	State of Utah
State of California	State of Iowa	State of Missouri	State of Ohio	State of Vermont
State of Colorado	State of Kansas	State of Montana	State of Oklahoma*	State of Virginia
State of Connecticut	State of Kentucky	State of Nebraska	State of Oregon	State of Washington
State of Delaware	State of Louisiana	State of Nevada	State of Pennsylvania	State of West Virginia
State of Florida	State of Maine	State of New Hampshire	State of Rhode Island	State of Wisconsin
State of Georgia	State of Maryland	State of New Jersey	State of South Carolina	State of Wyoming
District of Columbia				

Lists of political subdivisions and local governments in the above referenced states / districts may be found at [http://www.usa.gov/Agencies/State\\_and\\_Territories.shtml](http://www.usa.gov/Agencies/State_and_Territories.shtml) and <https://www.usa.gov/local-governments>.

\*Some public agencies and political subdivisions of these states may be restricted by state statutes that limit competition among cooperative purchasing organizations by only allowing use of purchasing cooperatives sponsored by certain National Associations.

Certain Public Agencies and Political Subdivisions:

**CITIES, TOWNS, VILLAGES AND BOROUGHES**  
**INCLUDING BUT NOT LIMITED TO:**

BAKER CITY GOLF COURSE, OR  
 CITY OF ADAIR VILLAGE, OR  
 CITY OF ASHLAND, OR  
 CITY OF AUMSVILLE, OR  
 CITY OF AURORA, OR  
 CITY OF BAKER, OR  
 CITY OF BATON ROUGE, LA  
 CITY OF BEAVERTON, OR  
 CITY OF BEND, OR  
 CITY OF BOARDMAN, OR  
 CITY OF BONANAZA, OR  
 CITY OF BOSSIER CITY, LA  
 CITY OF BROOKINGS, OR  
 CITY OF BURNS, OR  
 CITY OF CANBY, OR  
 CITY OF CANYONVILLE, OR  
 CITY OF CLATSKANIE, OR  
 CITY OF COBURG, OR  
 CITY OF CONDON, OR  
 CITY OF COQUILLE, OR  
 CITY OF CORVALLI, OR  
 CITY OF CORVALLIS PARKS AND RECREATION  
 DEPARTMENT, OR  
 CITY OF COTTAGE GROVE, OR  
 CITY OF DONALD, OR  
 CITY OF EUGENE, OR  
 CITY OF FOREST GROVE, OR  
 CITY OF GOLD HILL, OR  
 CITY OF GRANTS PASS, OR  
 CITY OF GRESHAM, OR  
 CITY OF HILLSBORO, OR  
 CITY OF INDEPENDENCE, OR  
 CITY AND COUNTY OF HONOLULU, HI  
 CITY OF KENNER, LA

CITY OF LA GRANDE, OR  
 CITY OF LAFAYETTE, LA  
 CITY OF LAKE CHARLES, OR  
 CITY OF LEBANON, OR  
 CITY OF MC MINNVILLE, OR  
 CITY OF MEDFORD, OR  
 CITY OF METAIRIE, LA  
 CITY OF MILL CITY, OR  
 CITY OF MILWAUKIE, OR  
 CITY OF MONROE, LA  
 CITY OF MOSIER, OR  
 CITY OF NEW ORLEANS, LA  
 CITY OF NORTH PLAINS, OR  
 CITY OF OREGON CITY, OR  
 CITY OF PILOT ROCK, OR  
 CITY OF PORTLAND, OR  
 CITY OF POWERS, OR  
 CITY OF PRINEVILLE, OR  
 CITY OF REDMOND, OR  
 CITY OF REEDSPORT, OR  
 CITY OF RIDDLE, OR  
 CITY OF ROGUE RIVER, OR  
 CITY OF ROSEBURG, OR  
 CITY OF SALEM, OR  
 CITY OF SANDY, OR  
 CITY OF SCAPPOOSE, OR  
 CITY OF SHADY COVE, OR  
 CITY OF SHERWOOD, OR  
 CITY OF SHREVEPORT, LA  
 CITY OF SILVERTON, OR  
 CITY OF SPRINGFIELD, OR  
 CITY OF ST. HELENS, OR  
 CITY OF ST. PAUL, OR  
 CITY OF SULPHUR, LA  
 CITY OF TIGARD, OR  
 CITY OF TROUTDALE, OR

Requirements for National Cooperative Contract

CITY OF TUALATIN, OR  
CITY OF WALKER, LA  
CITY OF WARRENTON, OR  
CITY OF WEST LINN, OR  
CITY OF WILSONVILLE, OR  
CITY OF WINSTON, OR  
CITY OF WOODBURN, OR  
LEAGUE OF OREGON CITES  
THE CITY OF HAPPY VALLEY OREGON  
ALPINE, UT  
ALTA, UT  
ALTAMONT, UT  
ALTON, UT  
AMALGA, UT  
AMERICAN FORK CITY, UT  
ANNABELLA, UT  
ANTIMONY, UT  
APPLE VALLEY, UT  
AURORA, UT  
BALLARD, UT  
BEAR RIVER CITY, UT  
BEAVER, UT  
BICKNELL, UT  
BIG WATER, UT  
BLANDING, UT  
BLUFFDALE, UT  
BOULDER, UT  
CITY OF BOUNTIFUL, UT  
BRIAN HEAD, UT  
BRIGHAM CITY CORPORATION, UT  
BRYCE CANYON CITY, UT  
CANNONVILLE, UT  
CASTLE DALE, UT  
CASTLE VALLEY, UT  
CITY OF CEDAR CITY, UT  
CEDAR FORT, UT  
CITY OF CEDAR HILLS, UT  
CENTERFIELD, UT  
CENTERVILLE CITY CORPORATION, UT  
CENTRAL VALLEY, UT  
CHARLESTON, UT  
CIRCLEVILLE, UT  
CLARKSTON, UT  
CLAWSON, UT  
CLEARFIELD, UT  
CLEVELAND, UT  
CLINTON CITY CORPORATION, UT  
COALVILLE, UT  
CORINNE, UT  
CORNISH, UT  
COTTONWOOD HEIGHTS, UT  
DANIEL, UT  
DELTA, UT  
DEWEYVILLE, UT  
DRAPER CITY, UT  
DUCHESNE, UT  
EAGLE MOUNTAIN, UT  
EAST CARBON, UT  
ELK RIDGE, UT  
ELMO, UT  
ELSINORE, UT  
ELWOOD, UT  
EMERY, UT  
ENOCH, UT  
ENTERPRISE, UT  
EPHRAIM, UT  
ESCALANTE, UT

EUREKA, UT  
FAIRFIELD, UT  
FAIRVIEW, UT  
FARMINGTON, UT  
FARR WEST, UT  
FAYETTE, UT  
FERRON, UT  
FIELDING, UT  
FILLMORE, UT  
FOUNTAIN GREEN, UT  
FRANCIS, UT  
FRUIT HEIGHTS, UT  
GARDEN CITY, UT  
GARLAND, UT  
GENOLA, UT  
GLENDALE, UT  
GLENWOOD, UT  
GOSHEN, UT  
GRANTSVILLE, UT  
GREEN RIVER, UT  
GUNNISON, UT  
HANKSVILLE, UT  
HARRISVILLE, UT  
HATCH, UT  
HEBER CITY CORPORATION, UT  
HELPER, UT  
HENEFER, UT  
HENRIEVILLE, UT  
HERRIMAN, UT  
HIDEOUT, UT  
HIGHLAND, UT  
HILDALE, UT  
HINCKLEY, UT  
HOLDEN, UT  
HOLLADAY, UT  
HONEYVILLE, UT  
HOOPER, UT  
HOWELL, UT  
HUNTINGTON, UT  
HUNTSVILLE, UT  
CITY OF HURRICANE, UT  
HYDE PARK, UT  
HYRUM, UT  
INDEPENDENCE, UT  
IVINS, UT  
JOSEPH, UT  
JUNCTION, UT  
KAMAS, UT  
KANAB, UT  
KANARRAVILLE, UT  
KANOSH, UT  
KAYSVILLE, UT  
KINGSTON, UT  
KOOSHAREM, UT  
LAKETOWN, UT  
LA VERKIN, UT  
LAYTON, UT  
LEAMINGTON, UT  
LEEDS, UT  
LEHI CITY CORPORATION, UT  
LEVAN, UT  
LEWISTON, UT  
LINDON, UT  
LOA, UT  
LOGAN CITY, UT  
LYMAN, UT  
LYNN DYLL, UT

MANILA, UT  
 MANTI, UT  
 MANTUA, UT  
 MAPLETON, UT  
 MARRIOTT-SLATERVILLE, UT  
 MARYSVALE, UT  
 MAYFIELD, UT  
 MEADOW, UT  
 MENDON, UT  
 MIDVALE CITY INC., UT  
 MIDWAY, UT  
 MILFORD, UT  
 MILLVILLE, UT  
 MINERSVILLE, UT  
 MOAB, UT  
 MONA, UT  
 MONROE, UT  
 CITY OF MONTICELLO, UT  
 MORGAN, UT  
 MORONI, UT  
 MOUNT PLEASANT, UT  
 MURRAY CITY CORPORATION, UT  
 MYTON, UT  
 NAPLES, UT  
 NEPHI, UT  
 NEW HARMONY, UT  
 NEWTON, UT  
 NIBLEY, UT  
 NORTH LOGAN, UT  
 NORTH OGDEN, UT  
 NORTH SALT LAKE CITY, UT  
 OAK CITY, UT  
 OAKLEY, UT  
 OGDEN CITY CORPORATION, UT  
 OPHIR, UT  
 ORANGEVILLE, UT  
 ORDERVILLE, UT  
 OREM, UT  
 PANGUITCH, UT  
 PARADISE, UT  
 PARAGONAH, UT  
 PARK CITY, UT  
 PAROWAN, UT  
 PAYSON, UT  
 PERRY, UT  
 PLAIN CITY, UT  
 PLEASANT GROVE CITY, UT  
 PLEASANT VIEW, UT  
 PLYMOUTH, UT  
 PORTAGE, UT  
 PRICE, UT  
 PROVIDENCE, UT  
 PROVO, UT  
 RANDOLPH, UT  
 REDMOND, UT  
 RICHFIELD, UT  
 RICHMOND, UT  
 RIVERDALE, UT  
 RIVER HEIGHTS, UT  
 RIVERTON CITY, UT  
 ROCKVILLE, UT  
 ROCKY RIDGE, UT  
 ROOSEVELT CITY CORPORATION, UT  
 ROY, UT  
 RUSH VALLEY, UT  
 CITY OF ST. GEORGE, UT  
 SALEM, UT

SALINA, UT  
 SALT LAKE CITY CORPORATION, UT  
 SANDY, UT  
 SANTA CLARA, UT  
 SANTAQUIN, UT  
 SARATOGA SPRINGS, UT  
 SCIPIO, UT  
 SCOFIELD, UT  
 SIGURD, UT  
 SMITHFIELD, UT  
 SNOWVILLE, UT  
 CITY OF SOUTH JORDAN, UT  
 SOUTH OGDEN, UT  
 CITY OF SOUTH SALT LAKE, UT  
 SOUTH WEBER, UT  
 SPANISH FORK, UT  
 SPRING CITY, UT  
 SPRINGDALE, UT  
 SPRINGVILLE, UT  
 STERLING, UT  
 STOCKTON, UT  
 SUNNYSIDE, UT  
 SUNSET CITY CORP, UT  
 SYRACUSE, UT  
 TABIONA, UT  
 CITY OF TAYLORSVILLE, UT  
 TOOEELE CITY CORPORATION, UT  
 TOQUERVILLE, UT  
 TORREY, UT  
 TREMONTON CITY, UT  
 TRENTON, UT  
 TROPIC, UT  
 UINTAH, UT  
 VERNAL CITY, UT  
 VERNON, UT  
 VINEYARD, UT  
 VIRGIN, UT  
 WALES, UT  
 WALLSBURG, UT  
 WASHINGTON CITY, UT  
 WASHINGTON TERRACE, UT  
 WELLINGTON, UT  
 WELLSVILLE, UT  
 WENDOVER, UT  
 WEST BOUNTIFUL, UT  
 WEST HAVEN, UT  
 WEST JORDAN, UT  
 WEST POINT, UT  
 WEST VALLEY CITY, UT  
 WILLARD, UT  
 WOODLAND HILLS, UT  
 WOODRUFF, UT  
 WOODS CROSS, UT

**COUNTIES AND PARISHES INCLUDING BUT NOT LIMITED TO:**

ASCENSION PARISH, LA  
 ASCENSION PARISH, LA, CLEAR OF COURT  
 CADDO PARISH, LA  
 CALCASIEU PARISH, LA  
 CALCASIEU PARISH SHERIFF'S OFFICE, LA  
 CITY AND COUNTY OF HONOLULU, HI  
 CLACKAMAS COUNTY, OR  
 CLACKAMAS COUNTY DEPT OF TRANSPORTATION,  
 OR  
 CLATSOP COUNTY, OR  
 COLUMBIA COUNTY, OR

COOS COUNTY, OR  
 COOS COUNTY HIGHWAY DEPARTMENT, OR  
 COUNTY OF HAWAII, OR  
 CROOK COUNTY, OR  
 CROOK COUNTY ROAD DEPARTMENT, OR  
 CURRY COUNTY, OR  
 DESCHUTES COUNTY, OR  
 DOUGLAS COUNTY, OR  
 EAST BATON ROUGE PARISH, LA  
 GILLIAM COUNTY, OR  
 GRANT COUNTY, OR  
 HARNEY COUNTY, OR  
 HARNEY COUNTY SHERIFFS OFFICE, OR  
 HAWAII COUNTY, HI  
 HOOD RIVER COUNTY, OR  
 JACKSON COUNTY, OR  
 JEFFERSON COUNTY, OR  
 JEFFERSON PARISH, LA  
 JOSEPHINE COUNTY GOVERNMENT, OR  
 LAFAYETTE CONSOLIDATED GOVERNMENT, LA  
 LAFAYETTE PARISH, LA  
 LAFAYETTE PARISH CONVENTION & VISITORS  
 COMMISSION  
 LAFOURCHE PARISH, LA  
 KAUAI COUNTY, HI  
 KLAMATH COUNTY, OR  
 LAKE COUNTY, OR  
 LANE COUNTY, OR  
 LINCOLN COUNTY, OR  
 LINN COUNTY, OR  
 LIVINGSTON PARISH, LA  
 MALHEUR COUNTY, OR  
 MAUI COUNTY, HI  
 MARION COUNTY, SALEM, OR  
 MORROW COUNTY, OR  
 MULTNOMAH COUNTY, OR  
 MULTNOMAH COUNTY BUSINESS AND  
 COMMUNITY SERVICES, OR  
 MULTNOMAH COUNTY SHERIFFS OFFICE, OR  
 MULTNOMAH LAW LIBRARY, OR  
 ORLEANS PARISH, LA  
 PLAQUEMINES PARISH, LA  
 POLK COUNTY, OR  
 RAPIDES PARISH, LA  
 SAINT CHARLES PARISH, LA  
 SAINT CHARLES PARISH PUBLIC SCHOOLS, LA  
 SAINT LANDRY PARISH, LA  
 SAINT TAMMANY PARISH, LA  
 SHERMAN COUNTY, OR  
 TERREBONNE PARISH, LA  
 TILLAMOOK COUNTY, OR  
 TILLAMOOK COUNTY SHERIFF'S OFFICE, OR  
 TILLAMOOK COUNTY GENERAL HOSPITAL, OR  
 UMATILLA COUNTY, OR  
 UNION COUNTY, OR  
 WALLOWA COUNTY, OR  
 WASCO COUNTY, OR  
 WASHINGTON COUNTY, OR  
 WEST BATON ROUGE PARISH, LA  
 WHEELER COUNTY, OR  
 YAMHILL COUNTY, OR  
 COUNTY OF BOX ELDER, UT  
 COUNTY OF CACHE, UT  
 COUNTY OF RICH, UT  
 COUNTY OF WEBER, UT  
 COUNTY OF MORGAN, UT  
 COUNTY OF DAVIS, UT

COUNTY OF SUMMIT, UT  
 COUNTY OF DAGGETT, UT  
 COUNTY OF SALT LAKE, UT  
 COUNTY OF TOOELE, UT  
 COUNTY OF UTAH, UT  
 COUNTY OF WASATCH, UT  
 COUNTY OF DUCHESNE, UT  
 COUNTY OF UINTAH, UT  
 COUNTY OF CARBON, UT  
 COUNTY OF SANPETE, UT  
 COUNTY OF JUAB, UT  
 COUNTY OF MILLARD, UT  
 COUNTY OF SEVIER, UT  
 COUNTY OF EMERY, UT  
 COUNTY OF GRAND, UT  
 COUNTY OF BEVER, UT  
 COUNTY OF PIUTE, UT  
 COUNTY OF WAYNE, UT  
 COUNTY OF SAN JUAN, UT  
 COUNTY OF GARFIELD, UT  
 COUNTY OF KANE, UT  
 COUNTY OF IRON, UT  
 COUNTY OF WASHINGTON, UT

**OTHER AGENCIES INCLUDING ASSOCIATIONS,  
 BOARDS, DISTRICTS, COMMISSIONS, COUNCILS,  
 PUBLIC CORPORATIONS, PUBLIC DEVELOPMENT  
 AUTHORITIES, RESERVATIONS AND UTILITIES  
 INCLUDING BUT NOT LIMITED TO:**

BANKS FIRE DISTRICT, OR  
 BATON ROUGE WATER COMPANY  
 BEND METRO PARK AND RECREATION DISTRICT  
 BIENVILLE PARISH FIRE PROTECTION DISTRICT 6,  
 LA  
 BOARDMAN PARK AND RECREATION DISTRICT  
 CENTRAL CITY ECONOMIC OPPORTUNITY CORP, LA  
 CENTRAL OREGON INTERGOVERNMENTAL  
 COUNCIL  
 CITY OF BOGALUSA SCHOOL BOARD, LA  
 CLACKAMAS RIVER WATER  
 CLATSKANIE PEOPLE'S UTILITY DISTRICT  
 CLEAN WATER SERVICES  
 CONFEDERATED TRIBES OF THE UMATILLA INDIAN  
 RESERVATION  
 COOS FOREST PROTECTIVE ASSOCIATION  
 CHEHALEM PARK AND RECREATION DISTRICT  
 DAVID CROCKETT STEAM FIRE COMPANY #1, LA  
 EUGENE WATER AND ELECTRIC BOARD  
 HONOLULU INTERNATIONAL AIRPORT  
 HOODLAND FIRE DISTRICT #74  
 HOUSING AUTHORITY OF PORTLAND  
 ILLINOIS VALLEY FIRE DISTRICT  
 LAFAYETTE AIRPORT COMMISSION, LA  
 LAFOURCHE PARISH HEALTH UNIT – DHH-OPH  
 REGION 3  
 LOUISIANA PUBLIC SERVICE COMMISSION, LA  
 LOUISIANA WATER WORKS  
 MEDFORD WATER COMMISSION  
 MELHEUR COUNTY JAIL, OR  
 METRO REGIONAL GOVERNMENT  
 METRO REGIONAL PARKS  
 METROPOLITAN EXPOSITION RECREATION  
 COMMISSION  
 METROPOLITAN SERVICE DISTRICT (METRO)  
 MULTNOMAH EDUCATION SERVICE DISTRICT  
 NEW ORLEANS REDEVELOPMENT AUTHORITY, LA  
 NORTHEAST OREGON HOUSING AUTHORITY, OR

PORT OF BRANDON, OR  
 PORT OF MORGAN CITY, LA  
 PORTLAND DEVELOPMENT COMMISSION, OR  
 PORTLAND FIRE AND RESCUE  
 PORTLAND HOUSING CENTER, OR  
 OREGON COAST COMMUNITY ACTION  
 OREGON HOUSING AND COMMUNITY SERVICES  
 OREGON LEGISLATIVE ADMINISTRATION  
 ROGUE VALLEY SEWER, OR  
 SAINT LANDRY PARISH TOURIST COMMISSION  
 SAINT MARY PARISH REC DISTRICT 2  
 SAINT MARY PARISH REC DISTRICT 3  
 SAINT TAMMANY FIRE DISTRICT 4, LA  
 SALEM MASS TRANSIT DISTRICT  
 SEWERAGE AND WATER BOARD OF NEW ORLEANS,  
 LA  
 SOUTH LAFOURCHE LEVEE DISTRICT, LA  
 TRI-COUNTY METROPOLITAN TRANSPORTATION  
 DISTRICT OF OREGON  
 TUALATIN HILLS PARK & RECREATION DISTRICT  
 TUALATIN VALLEY FIRE & RESCUE  
 TUALATIN VALLEY WATER DISTRICT  
 WILLAMALANE PARK AND RECREATION DISTRICT  
 WILLAMETTE HUMANE SOCIETY

**K-12 INCLUDING BUT NOT LIMITED TO:**

ACADIA PARISH SCHOOL BOARD  
 BEAVERTON SCHOOL DISTRICT  
 BEND-LA PINE SCHOOL DISTRICT  
 BOGALUSA HIGH SCHOOL, LA  
 BOSSIER PARISH SCHOOL BOARD  
 BROOKING HARBOR SCHOOL DISTRICT  
 CADDO PARISH SCHOOL DISTRICT  
 CALCASIEU PARISH SCHOOL DISTRICT  
 CANBY SCHOOL DISTRICT  
 CANYONVILLE CHRISTIAN ACADEMY  
 CASCADE SCHOOL DISTRICT  
 CASCADES ACADEMY OF CENTRAL OREGON  
 CENTENNIAL SCHOOL DISTRICT  
 CENTRAL CATHOLIC HIGH SCHOOL  
 CENTRAL POINT SCHOOL DISTRICT NO.6  
 CENTRAL SCHOOL DISTRICT 13J  
 COOS BAY SCHOOL DISTRICT NO.9  
 CORVALLIS SCHOOL DISTRICT 509J  
 COUNTY OF YAMHILL SCHOOL DISTRICT 29  
 CULVER SCHOOL DISTRICT  
 DALLAS SCHOOL DISTRICT NO.2  
 DAVID DOUGLAS SCHOOL DISTRICT  
 DAYTON SCHOOL DISTRICT NO.8  
 DE LA SALLE N CATHOLIC HS  
 DESCHUTES COUNTY SCHOOL DISTRICT NO.6  
 DOUGLAS EDUCATIONAL DISTRICT SERVICE  
 DUFUR SCHOOL DISTRICT NO.29  
 EAST BATON ROUGE PARISH SCHOOL DISTRICT  
 ESTACADA SCHOOL DISTRICT NO.10B  
 FOREST GROVE SCHOOL DISTRICT  
 GEORGE MIDDLE SCHOOL  
 GLADSTONE SCHOOL DISTRICT  
 GRANTS PASS SCHOOL DISTRICT 7  
 GREATER ALBANY PUBLIC SCHOOL DISTRICT  
 GRESHAM BARLOW JOINT SCHOOL DISTRICT  
 HEAD START OF LANE COUNTY  
 HIGH DESERT EDUCATION SERVICE DISTRICT  
 HILLSBORO SCHOOL DISTRICT  
 HOOD RIVER COUNTY SCHOOL DISTRICT  
 JACKSON CO SCHOOL DIST NO.9

JEFFERSON COUNTY SCHOOL DISTRICT 509-J  
 JEFFERSON PARISH SCHOOL DISTRICT  
 JEFFERSON SCHOOL DISTRICT  
 JUNCTION CITY SCHOOLS, OR  
 KLAMATH COUNTY SCHOOL DISTRICT  
 KLAMATH FALLS CITY SCHOOLS  
 LAFAYETTE PARISH SCHOOL DISTRICT  
 LAKE OSWEGO SCHOOL DISTRICT 7J  
 LANE COUNTY SCHOOL DISTRICT 4J  
 LINCOLN COUNTY SCHOOL DISTRICT  
 LINN CO. SCHOOL DIST. 95C  
 LIVINGSTON PARISH SCHOOL DISTRICT  
 LOST RIVER JR/SR HIGH SCHOOL  
 LOWELL SCHOOL DISTRICT NO.71  
 MARION COUNTY SCHOOL DISTRICT  
 MARION COUNTY SCHOOL DISTRICT 103  
 MARIST HIGH SCHOOL, OR  
 MCMINNVILLE SCHOOL DISTRICT NOAO  
 MEDFORD SCHOOL DISTRICT 549C  
 MITCH CHARTER SCHOOL  
 MONROE SCHOOL DISTRICT NO.1J  
 MORROW COUNTY SCHOOL DIST, OR  
 MULTNOMAH EDUCATION SERVICE DISTRICT  
 MULTISENSORY LEARNING ACADEMY  
 MYRTLE PINT SCHOOL DISTRICT 41  
 NEAH-KAH-NIE DISTRICT NO.56  
 NEWBERG PUBLIC SCHOOLS  
 NESTUCCA VALLEY SCHOOL DISTRICT NO.101  
 NOBEL LEARNING COMMUNITIES  
 NORTH BEND SCHOOL DISTRICT 13  
 NORTH CLACKAMAS SCHOOL DISTRICT  
 NORTH DOUGLAS SCHOOL DISTRICT  
 NORTH WASCO CITY SCHOOL DISTRICT 21  
 NORTHWEST REGIONAL EDUCATION SERVICE  
 DISTRICT  
 ONTARIO MIDDLE SCHOOL  
 OREGON TRAIL SCHOOL DISTRICT NOA6  
 ORLEANS PARISH SCHOOL DISTRICT  
 PHOENIX-TALENT SCHOOL DISTRICT NOA  
 PLEASANT HILL SCHOOL DISTRICT  
 PORTLAND JEWISH ACADEMY  
 PORTLAND PUBLIC SCHOOLS  
 RAPIDES PARISH SCHOOL DISTRICT  
 REDMOND SCHOOL DISTRICT  
 REYNOLDS SCHOOL DISTRICT  
 ROGUE RIVER SCHOOL DISTRICT  
 ROSEBURG PUBLIC SCHOOLS  
 SCAPPOOSE SCHOOL DISTRICT 1J  
 SAINT TAMMANY PARISH SCHOOL BOARD, LA  
 SEASIDE SCHOOL DISTRICT 10  
 SHERWOOD SCHOOL DISTRICT 88J  
 SILVER FALLS SCHOOL DISTRICT 4J  
 SOUTH LANE SCHOOL DISTRICT 45J3  
 SOUTHERN OREGON EDUCATION SERVICE  
 DISTRICT  
 SPRINGFIELD PUBLIC SCHOOLS  
 SUTHERLIN SCHOOL DISTRICT  
 SWEET HOME SCHOOL DISTRICT NO.55  
 TERREBONNE PARISH SCHOOL DISTRICT  
 THE CATLIN GABEL SCHOOL  
 TIGARD-TUALATIN SCHOOL DISTRICT  
 UMATILLA MORROW ESD  
 WEST LINN WILSONVILLE SCHOOL DISTRICT  
 WILLAMETTE EDUCATION SERVICE DISTRICT  
 WOODBURN SCHOOL DISTRICT  
 YONCALLA SCHOOL DISTRICT



ACADEMY FOR MATH ENGINEERING & SCIENCE (AMES) , UT  
 ALIANZA ACADEMY , UT  
 ALPINE DISTRICT , UT  
 AMERICAN LEADERSHIP ACADEMY , UT  
 AMERICAN PREPARATORY ACADEMY , UT  
 BAER CANYON HIGH SCHOOL FOR SPORTS & MEDICAL SCIENCES , UT  
 BEAR RIVER CHARTER SCHOOL , UT  
 BEAVER SCHOOL DISTRICT , UT  
 BEEHIVE SCIENCE & TECHNOLOGY ACADEMY (BSTA) , UT  
 BOX ELDER SCHOOL DISTRICT , UT  
 CBA CENTER , UT  
 CACHE SCHOOL DISTRICT , UT  
 CANYON RIM ACADEMY , UT  
 CANYONS DISTRICT , UT  
 CARBON SCHOOL DISTRICT , UT  
 CHANNING HALL , UT  
 CHARTER SCHOOL LEWIS ACADEMY , UT  
 CITY ACADEMY , UT  
 DAGGETT SCHOOL DISTRICT , UT  
 DAVINCI ACADEMY , UT  
 DAVIS DISTRICT , UT  
 DUAL IMMERSION ACADEMY , UT  
 DUCHESNE SCHOOL DISTRICT , UT  
 EARLY LIGHT ACADEMY AT DAYBREAK , UT  
 EAST HOLLYWOOD HIGH , UT  
 EDITH BOWEN LABORATORY SCHOOL , UT  
 EMERSON ALCOTT ACADEMY , UT  
 EMERY SCHOOL DISTRICT , UT  
 ENTHEOS ACADEMY , UT  
 EXCELSIOR ACADEMY , UT  
 FAST FORWARD HIGH , UT  
 FREEDOM ACADEMY , UT  
 GARFIELD SCHOOL DISTRICT , UT  
 GATEWAY PREPARATORY ACADEMY , UT  
 GEORGE WASHINGTON ACADEMY , UT  
 GOOD FOUNDATION ACADEMY , UT  
 GRAND SCHOOL DISTRICT , UT  
 GRANITE DISTRICT , UT  
 GUADALUPE SCHOOL , UT  
 HAWTHORN ACADEMY , UT  
 INTECH COLLEGIATE HIGH SCHOOL , UT  
 IRON SCHOOL DISTRICT , UT  
 ITINERIS EARLY COLLEGE HIGH , UT  
 JOHN HANCOCK CHARTER SCHOOL , UT  
 JORDAN DISTRICT , UT  
 JUAB SCHOOL DISTRICT , UT  
 KANE SCHOOL DISTRICT , UT  
 KARL G MAESER PREPARATORY ACADEMY , UT  
 LAKEVIEW ACADEMY , UT  
 LEGACY PREPARATORY ACADEMY , UT  
 LIBERTY ACADEMY , UT  
 LINCOLN ACADEMY , UT  
 LOGAN SCHOOL DISTRICT , UT  
 MARIA MONTESSORI ACADEMY , UT  
 MERIT COLLEGE PREPARATORY ACADEMY , UT  
 MILLARD SCHOOL DISTRICT , UT  
 MOAB CHARTER SCHOOL , UT  
 MONTICELLO ACADEMY , UT  
 MORGAN SCHOOL DISTRICT , UT  
 MOUNTAINVILLE ACADEMY , UT  
 MURRAY SCHOOL DISTRICT , UT  
 NAVIGATOR POINTE ACADEMY , UT  
 NEBO SCHOOL DISTRICT , UT

NO UT ACAD FOR MATH ENGINEERING & SCIENCE (NUAMES) , UT  
 NOAH WEBSTER ACADEMY , UT  
 NORTH DAVIS PREPARATORY ACADEMY , UT  
 NORTH SANPETE SCHOOL DISTRICT , UT  
 NORTH STAR ACADEMY , UT  
 NORTH SUMMIT SCHOOL DISTRICT , UT  
 ODYSSEY CHARTER SCHOOL , UT  
 OGDEN PREPARATORY ACADEMY , UT  
 OGDEN SCHOOL DISTRICT , UT  
 OPEN CLASSROOM , UT  
 OPEN HIGH SCHOOL OF UTAH , UT  
 OQUIRRH MOUNTAIN CHARTER SCHOOL , UT  
 PARADIGM HIGH SCHOOL , UT  
 PARK CITY SCHOOL DISTRICT , UT  
 PINNACLE CANYON ACADEMY , UT  
 PIUTE SCHOOL DISTRICT , UT  
 PROVIDENCE HALL , UT  
 PROVO SCHOOL DISTRICT , UT  
 QUAIL RUN PRIMARY SCHOOL , UT  
 QUEST ACADEMY , UT  
 RANCHES ACADEMY , UT  
 REAGAN ACADEMY , UT  
 RENAISSANCE ACADEMY , UT  
 RICH SCHOOL DISTRICT , UT  
 ROCKWELL CHARTER HIGH SCHOOL , UT  
 SALT LAKE ARTS ACADEMY , UT  
 SALT LAKE CENTER FOR SCIENCE EDUCATION , UT  
 SALT LAKE SCHOOL DISTRICT , UT  
 SALT LAKE SCHOOL FOR THE PERFORMING ARTS , UT  
 SAN JUAN SCHOOL DISTRICT , UT  
 SEVIER SCHOOL DISTRICT , UT  
 SOLDIER HOLLOW CHARTER SCHOOL , UT  
 SOUTH SANPETE SCHOOL DISTRICT , UT  
 SOUTH SUMMIT SCHOOL DISTRICT , UT  
 SPECTRUM ACADEMY , UT  
 SUCCESS ACADEMY , UT  
 SUCCESS SCHOOL , UT  
 SUMMIT ACADEMY , UT  
 SUMMIT ACADEMY HIGH SCHOOL , UT  
 SYRACUSE ARTS ACADEMY , UT  
 THOMAS EDISON - NORTH , UT  
 TIMPANOGOS ACADEMY , UT  
 TINTIC SCHOOL DISTRICT , UT  
 TOOEE SCHOOL DISTRICT , UT  
 TUACAHN HIGH SCHOOL FOR THE PERFORMING ARTS , UT  
 UINTAH RIVER HIGH , UT  
 UINTAH SCHOOL DISTRICT , UT  
 UTAH CONNECTIONS ACADEMY , UT  
 UTAH COUNTY ACADEMY OF SCIENCE , UT  
 UTAH ELECTRONIC HIGH SCHOOL , UT  
 UTAH SCHOOLS FOR DEAF & BLIND , UT  
 UTAH STATE OFFICE OF EDUCATION , UT  
 UTAH VIRTUAL ACADEMY , UT  
 VENTURE ACADEMY , UT  
 VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS AND TECHNOLOGY , UT  
 WALDEN SCHOOL OF LIBERAL ARTS , UT  
 WASATCH PEAK ACADEMY , UT  
 WASATCH SCHOOL DISTRICT , UT  
 WASHINGTON SCHOOL DISTRICT , UT  
 WAYNE SCHOOL DISTRICT , UT  
 WEBER SCHOOL DISTRICT , UT  
 WEILENMANN SCHOOL OF DISCOVERY , UT

**HIGHER EDUCATION**

ARGOSY UNIVERSITY  
BATON ROUGE COMMUNITY COLLEGE, LA  
BIRTHINGWAY COLLEGE OF MIDWIFERY  
BLUE MOUNTAIN COMMUNITY COLLEGE  
BRIGHAM YOUNG UNIVERSITY - HAWAII  
CENTRAL OREGON COMMUNITY COLLEGE  
CENTENARY COLLEGE OF LOUISIANA  
CHEMEKETA COMMUNITY COLLEGE  
CLACKAMAS COMMUNITY COLLEGE  
COLLEGE OF THE MARSHALL ISLANDS  
COLUMBIA GORGE COMMUNITY COLLEGE  
CONCORDIA UNIVERSITY  
GEORGE FOX UNIVERSITY  
KLAMATH COMMUNITY COLLEGE DISTRICT  
LANE COMMUNITY COLLEGE  
LEWIS AND CLARK COLLEGE  
LINFIELD COLLEGE  
LINN-BENTON COMMUNITY COLLEGE  
LOUISIANA COLLEGE, LA  
LOUISIANA STATE UNIVERSITY  
LOUISIANA STATE UNIVERSITY HEALTH SERVICES  
MARYLHURST UNIVERSITY  
MT. HOOD COMMUNITY COLLEGE  
MULTNOMAH BIBLE COLLEGE  
NATIONAL COLLEGE OF NATURAL MEDICINE  
NORTHWEST CHRISTIAN COLLEGE  
OREGON HEALTH AND SCIENCE UNIVERSITY  
OREGON INSTITUTE OF TECHNOLOGY  
OREGON STATE UNIVERSITY  
OREGON UNIVERSITY SYSTEM  
PACIFIC UNIVERSITY  
PIONEER PACIFIC COLLEGE  
PORTLAND COMMUNITY COLLEGE  
PORTLAND STATE UNIVERSITY  
REED COLLEGE  
RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII  
ROGUE COMMUNITY COLLEGE  
SOUTHEASTERN LOUISIANA UNIVERSITY  
SOUTHERN OREGON UNIVERSITY (OREGON UNIVERSITY SYSTEM)  
SOUTHWESTERN OREGON COMMUNITY COLLEGE  
TULANE UNIVERSITY  
TILLAMOOK BAY COMMUNITY COLLEGE  
UMPQUA COMMUNITY COLLEGE  
UNIVERSITY OF HAWAII BOARD OF REGENTS  
UNIVERSITY OF HAWAII-HONOLULU COMMUNITY COLLEGE  
UNIVERSITY OF OREGON-GRADUATE SCHOOL  
UNIVERSITY OF PORTLAND  
UNIVERSITY OF NEW ORLEANS  
WESTERN OREGON UNIVERSITY  
WESTERN STATES CHIROPRACTIC COLLEGE  
WILLAMETTE UNIVERSITY  
XAVIER UNIVERSITY  
UTAH SYSTEM OF HIGHER EDUCATION, UT  
UNIVERSITY OF UTAH, UT  
UTAH STATE UNIVERSITY, UT  
WEBER STATE UNIVERSITY, UT  
SOUTHERN UTAH UNIVERSITY, UT  
SNOW COLLEGE, UT  
DIXIE STATE COLLEGE, UT  
COLLEGE OF EASTERN UTAH, UT  
UTAH VALLEY UNIVERSITY, UT  
SALT LAKE COMMUNITY COLLEGE, UT  
UTAH COLLEGE OF APPLIED TECHNOLOGY, UT

**STATE AGENCIES**

ADMIN. SERVICES OFFICE  
BOARD OF MEDICAL EXAMINERS  
HAWAII CHILD SUPPORT ENFORCEMENT AGENCY  
HAWAII DEPARTMENT OF TRANSPORTATION  
HAWAII HEALTH SYSTEMS CORPORATION  
OFFICE OF MEDICAL ASSISTANCE PROGRAMS  
OFFICE OF THE STATE TREASURER  
OREGON BOARD OF ARCHITECTS  
OREGON CHILD DEVELOPMENT COALITION  
OREGON DEPARTMENT OF EDUCATION  
OREGON DEPARTMENT OF FORESTRY  
OREGON DEPT OF TRANSPORTATION  
OREGON DEPT. OF EDUCATION  
OREGON LOTTERY  
OREGON OFFICE OF ENERGY  
OREGON STATE BOARD OF NURSING  
OREGON STATE DEPT OF CORRECTIONS  
OREGON STATE POLICE  
OREGON TOURISM COMMISSION  
OREGON TRAVEL INFORMATION COUNCIL  
SANTIAM CANYON COMMUNICATION CENTER  
SEIU LOCAL 503, OPEU  
SOH- JUDICIARY CONTRACTS AND PURCH  
STATE DEPARTMENT OF DEFENSE, STATE OF HAWAII  
STATE OF HAWAII  
STATE OF HAWAII, DEPT. OF EDUCATION  
STATE OF LOUISIANA  
STATE OF LOUISIANA DEPT. OF EDUCATION  
STATE OF LOUISIANA, 26<sup>TH</sup> JUDICIAL DISTRICT  
ATTORNEY  
STATE OF UTAH

# CONTRACT AMENDMENT

CITY OF TUCSON BUSINESS SERVICES DEPARTMENT  
255 W. ALAMEDA, 6<sup>th</sup> FLOOR, TUCSON, AZ 85701  
P.O. BOX 27210, TUCSON, AZ 85726-7210  
PHONE: (520) 837-4134 / FAX: (520) 791-4735  
[Cynthia.Thompson@tucsonaz.gov](mailto:Cynthia.Thompson@tucsonaz.gov)  
ISSUE DATE: October 20, 2020

**CONTRACT NO:161534-01**  
CONTRACT AMENDMENT NO.: FIVE (5)  
PAGE 1 of 1  
CT  
SENIOR CONTRACT OFFICER: CYNTHIA THOMPSON, CPPB

## HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES

THIS CONTRACT IS AMENDED AS FOLLOWS:

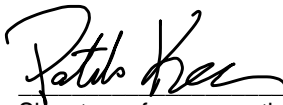
### ITEM ONE (1): RENEWAL

Pursuant to Paragraph 7 (Term and Renewal) of the Special Terms and conditions section, the City is hereby exercising its option to renew the contract for the period of **May 1, 2021 through April 30, 2022.**

**ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.**

**CONTRACTOR:** CATERPILLAR, INC.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF  
AND UNDERSTANDING OF THE ABOVE AMENDMENT

 11-2-2020  
Signature of person authorized to sign Date

Patrick Kearns, North America Industry Mgr.

Name and Title (typed or printed legibly)

Caterpillar Inc.

Company Name

100 NE Adams St.

Address

Kearns\_Patrick@cat.com

Email Address

Peoria IL 61629

City State Zip

Contact information for Sales/Account Representative  
for daily business operations:

Tirena Pavelka

Name and Title (typed or printed legibly)

(309) 494-4578

Phone Number

Pavelka\_tirena\_L@cat.com

Email Address

**CITY OF TUCSON:** \_\_\_\_\_

THE ABOVE REFERENCED CONTRACT AMENDMENT  
IS HEREBY EXECUTED THIS 2nd DAY  
OF November, 2020, AT TUCSON, ARIZONA.

Dan Longanecker for  
as Director of Business Services and not personally

## 6. A.

### CITY OF FLAGSTAFF STAFF SUMMARY REPORT

**To:** The Honorable Mayor and Council  
**From:** Barney Helmick, Airport Director  
**Co-Submitter:** Rick Tadder  
**Date:** 12/08/2021  
**Meeting Date:** 12/28/2021



---

#### TITLE:

**Consideration and Adoption of Ordinance No. 2021-23:** An ordinance of the City Council of the City of Flagstaff, amending the Flagstaff City Code, Title 3 Business Regulations, Chapters 3-10 User Fees, to establish airport parking fees, and amending Title 8 Public Ways and Property, Chapter 8-06, Airport Rules and Regulations, Section 001-8-06-001-0006.3 to provide for enforcement of airport parking and exemptions from parking fees; providing for penalties, repeal of conflicting ordinances, severability, and establishing an effective date

#### STAFF RECOMMENDED ACTION:

- 1) Read Ordinance No. 2021-23 by title only for the final time
- 2) City Clerk reads Ordinance No. 2021-23 by title only (if approved above)
- 3) Adopt Ordinance No. 2021-23

#### Executive Summary:

This Ordinance will establish paid parking rates for Flagstaff Pulliam Airport effective January 28, 2022, and a rate increase effective July 1, 2023. The proposed rates have been presented to multiple groups including the Chamber of Commerce, the Airport Commission and Tourism Commission. The parking rates will help generate revenue to recover the cost of parking construction and ongoing expenses for airport parking.

#### Financial Impact:

Currently, parking at the Airport is free, and the City is constructing additional public parking space to meet parking needs. Adoption of a paid parking program will help the Airport to operate as an enterprise fund within the city. The parking rates are expected to cover the cost of construction of the new parking lot, operational costs and eliminate reliance on the City's General Fund in the annual budget process.

Enterprise Funds are used to account for operations that provide services to the general public for a fee. Enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs.

#### Policy Impact:

This Ordinance will provide fiscal stability, and help control illegal use (e.g. personal storage of vehicles not related to airport travel).

**Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:**

**Priority Based Budget Key Community Priorities and Objectives**

High Performing Governance

Enhance the organization's fiscal stability and increase efficiency and effectiveness.

**Carbon Neutrality Plan**

Sustainable Innovative Infrastructure

Provide effective infrastructure for all modes of transportation

**Regional Plan**

Goal T.3.4 Actively manage parking, including cost and supply to support land use, transportation and economic development goals.

**Has There Been Previous Council Decision on This:**

December 10, 2019 Work Session: Staff provided an update on the temporary parking lot solutions and plans for developing additional airport parking including a paid parking system.

April 21, 2020 Council Meeting: Staff presented design concepts for the new airport parking lot and provided information on a paid parking system.

March 16, 2021 Council Meeting: Council awarded a contract for the construction of a new airport parking lot.

November 23, 2021 Work Session: Discussion on the proposed airport parking rates.

**Options and Alternatives:**

- Approve the Ordinance as written.
- Amend the Ordinance by changing rates or effective dates and provided direction to staff.
- Do not approve an Ordinance.

**Background/History:**

The Flagstaff Pulliam Airport is a key component to the global marketplace, facilitating local, national, and international commerce as well as supporting our number one economic driver, tourism. Business activity is dependent upon the existence of efficient access to all transportation modes, one being local air service. A recent economic study, performed by Arizona Department of Transportation, identified that the Flagstaff Pulliam Airport generates \$60 million annually for our economy.

American Airlines and United Airlines both provide commercial service daily at our airport. American has routes to Phoenix and Dallas-Fort Worth and United provides a route to Denver. With the addition of United Airlines, our passenger enplanements grew by 72%. In 2020, during the height of the COVID pandemic, over 86,000 passengers continued flying out of Flagstaff Pulliam Airport with our highest enplanement year in 2019 reaching 123,957. This increased patron activity added to our need to increase parking capacity by constructing a second parking lot that will be complete in 2022.

Important to mention that long before we added more passengers to our footprint, we had several other factors that created parking issues for our patrons. We had several people parking at our airport that did not have airport business but merely were meeting at the airport, parking, and driving to their other destination. We also had some residents actually parking other vehicles in our lots as though it were a storage unit. In order for us to remove people that have no airport business from our lots, as well as serve our increased patron enplanement traffic, we recommend a paid parking program for both our existing lot and the new lot that is almost complete. A paid parking model will help offer more spots to our

flying public as well as create a long term revenue source for the airport to recover the cost of construction, provide for ongoing operational and maintenance and help the Airport become self-sustaining as an enterprise fund.

Our new parking lot will add 413 parking spaces to the total inventory, a bus turnout, wider sidewalks leading to the terminal, bicycle lanes, and we are including artwork and internal walk paths. The existing lot has 385 parking spaces and will need upgrades that will begin next summer. These upgrades will include a pavement seal coat, curb improvements, fencing, and paint striping.

The City of Flagstaff Management Services Division has prepared a financial plan including a rate analysis for the Flagstaff Pulliam Airport Parking Plan. The proposed rates are to ensure our Airport Fund has sufficient revenues to meet operational and capital obligations. It is our desire to establish service charges and rates that fully fund operations, maintenance, and capital for present and future airport funds.

The airport paid parking system will be different from our downtown ParkFlag's system in that airport users do not typically park by the hour. We will use a gate arm system that will include possible other elements within the airport terminal with a kiosk and even an ability to pay from your phone. These elements will be further discussed with our parking vendor. We have researched and found that we should not use a kiosk solely model like ParkFlag. Staff proposes a gated system will also help with security of the parked vehicles and much more.

Even though the airport system will be different than downtown's, our intent is to have the program managed by the same team within ParkFlag. Costs for staff and additional needs have been put into the attached financial plan. We anticipate that there will be efficiencies in using the same staff to manage the two programs, and we will have the parking experts monitoring all areas.

Prior to 2019, parking at the airport was always a negative situation during the key holiday travel periods. When the increase in passenger usage began in 2019 this impact became year around. This year we have seen a return of 95% of the 2019 passenger counts. We fully expect to see continued growth which will increase demand and a paid parking system will be a key solution to making sure our flying public has a good experience.

In 2022, we plan to monitor usage of both lots. This will allow us to continually look at options in the future to encourage alternative methods of travel to the airport that don't require always parking.

**Community Involvement:**

Staff posted a Notice of Proposed New Rates or Fees Related to Airport Parking on October 22, 2021 which provided a detailed analysis of the proposed airport parking rates. This notice provided the dates proposed for the Council consideration of airport parking rates and the Management Services phone number. We also posted this notice on the City of Flagstaff Facebook page. The public is welcome to attend the Council meeting and speak on the subject.

Airport staff presented a discussion on airport parking rates to the Airport Commission on October 17, 2021, to the Flagstaff Chamber of Commerce on November 14, 2021, and to the Tourism Commission on November 23, 2021.

**Attachments:** Ord. 2021-23  
Financial Plan and Rate Analysis  
Presentation

**ORDINANCE NO. 2021-23**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF CITY CODE, TITLE 3 BUSINESS REGULATIONS, CHAPTER 3-10 USER FEES, TO ESTABLISH AIRPORT PARKING FEES, AND AMENDING TITLE 8 PUBLIC WAYS AND PROPERTY, CHAPTER 8-06, AIRPORT RULES AND REGULATIONS, SECTION 001-8-06-001-0006.3 TO PROVIDE FOR ENFORCEMENT OF AIRPORT PARKING AND EXEMPTIONS FROM PARKING FEES; PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, PROVIDING FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE**

**RECITALS:**

WHEREAS, the City has authority to establish, operate, maintain, and improve airports pursuant to A.R.S. § 28-8411; and

WHEREAS, the City has constructed new parking lots at the Flagstaff Pulliam Airport and desires to establish a paid parking program; and

WHEREAS, the City has published and distributed notice of the proposed park parking rates or fees pursuant to A.R.S. § 9-499.15.

**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 3-10 User Fees, Section 3-10-001-009 Annual Adjustments; Adoption; Verification is renumbered as Section 3-10-001-010, and a new Section 3-10-001-009 is added to read as follows (additions shown as capitalized text):

**3-10-001-009 PARKING FEES**

**A. RESERVED.**

**B. AIRPORT PARKING LOTS.**

<b>RATES</b>	<b>EFFECTIVE JANUARY 28, 2022</b>	<b>EFFECTIVE JULY 1, 2023</b>
<b>1<sup>ST</sup> HOUR</b>	<b>FREE</b>	<b>FREE</b>
<b>PER HOUR RATE (AFTER 1<sup>ST</sup> HOUR)</b>	<b>\$ 2.00</b>	<b>\$ 2.00</b>
<b>PER DAY RATE – TERMINAL LOT</b>	<b>\$ 7.00</b>	<b>\$ 8.00</b>
<b>PER DAY RATE – TERMINAL ECONOMY LOT</b>	<b>\$ 5.00</b>	<b>\$ 6.00</b>
<b>WEEKLY RATE – TERMINAL LOT</b>	<b>\$ 42.00</b>	<b>\$ 48.00</b>
<b>WEEKLY RATE – TERMINAL ECONOMY LOT</b>	<b>\$ 30.00</b>	<b>\$ 36.00</b>

The Flagstaff City Code, Title 8 Public Ways and Property, Chapter 8-06 Airport Rules and Regulations, Section 8-06-001-006.3 Vehicle Parking Restrictions – A.R.S. §28-644 is hereby amended as set forth below (deletions shown as stricken, additions shown as capitalized text):

**8-06-001-0006.3 VEHICLE PARKING RESTRICTIONS – A.R.S. §28-644**

A. No person shall park any motor vehicle on the Airport premises, except within designated parking areas.

B. No person shall park a motor vehicle or permit the same to remain halted on a vehicular parking area, aircraft movement area, fuel storage area or cargo facility except at such places and for such periods of time as may be prescribed by the Airport Manager.

C. No aircraft refueling, defueling, or other aircraft servicing equipment or apparatus shall be parked except in areas designated by the Airport Manager.

D. No person shall park a motor vehicle within any vehicular parking area except upon the payment of such parking fees and charges as may be prescribed. **ANY PERSON PARKING AT THE FLAGSTAFF PULLIAM AIRPORT PUBLIC PARKING LOTS SHALL PAY RATES AS SET FORTH IN SECTION 3-10-001-009 PARKING FEES, WITH THE FOLLOWING EXCEPTIONS: CITY EMPLOYEES AND AIRPORT COMMISSIONERS PARKING AT THE AIRPORT FOR OFFICIAL CITY BUSINESS, EMPLOYEES OF AIRPORT TERMINAL LESSEES FOR LESSEE BUSINESS OPERATIONS, LAW ENFORCEMENT OFFICERS ON DUTY, AND U.S. POSTAL SERVICE EMPLOYEES ON DUTY.**

E. Certain areas of the Airport shall be designated and properly marked with signs by the Airport Manager as reserved parking areas for "rental car" companies or other Airport tenant use only.

F. No camping is allowed on the Airport premises except by express permission of the Airport Manager.

**G. PARKING RESTRICTIONS SHALL BE ENFORCED BY THE CITY PURSUANT TO CHAPTER 9-01 CITY TRAFFIC CODE. PARKING VIOLATIONS ARE SUBJECT TO FINES AND PENALTIES AS SET FORTH IN SAID CHAPTER 9-01.**

**SECTION 2. Penalties**

Any person found in violation of this ordinance shall be guilty of a civil infraction and shall be fined a sum not to exceed five hundred dollars (\$500.00). 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 the code adopted herein 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. Clerical Corrections**

The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Flagstaff City Code.

**SECTION 6. Effective Date**

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 28th day of December, 2021.

---

MAYOR

ATTEST:

---

CITY CLERK

APPROVED AS TO FORM:

---

CITY ATTORNEY

# **CITY OF FLAGSTAFF, ARIZONA**

## **Airport Parking**

### **Financial Plan and Rate Analysis Report - 2021**



Management Services and Economic Vitality Divisions

October 2021

# Executive Summary

The City Management Services Division has prepared a financial plan, including a rate analysis for the Airport Parking Plan of the Economic Vitality. The proposed rates are to ensure the Airport Fund has sufficient revenues to meet their operational and capital obligations.

The City desires service charges and rates that fully fund operations, maintenance, and present and future capital costs for Airport Fund. The purpose of the fiscal analysis is to provide a financial review of revenues that will cover the necessary expenditures.

Staff intends to provide City Council with a recommendation for parking rates at the December 7, 2021 and December 21, 2021 Council meetings. It is anticipated an Ordinance will be adopted with the new rates at the December 21, 2021 Council meeting with an effective date of January 21, 2022.

## **Airport Overview**

The Flagstaff Pulliam Airport is a key component of Flagstaff's link to the global marketplace, facilitating local, national and international commerce as well as support the local tourism industry. Business activity is dependent upon the existence of efficient access to local air service. A recent economic study performed by Arizona Department of Transportation identified that the Flagstaff Pulliam Airport generates \$60 million annually.

American Airlines and United Airlines both provide commercial service daily. American has routes to Phoenix and Dallas Fort-Worth and United provides a route to Denver. With the addition of United Airlines, our passenger enplanement has grown by 72%. Last year, over 86,000 passengers flew out of Flagstaff Pulliam Airport with our highest enplanement year reaching 123,957.

The airport offers 61 airport hangars that can be rented on a monthly basis for storage of personal aircraft. Out of the 61, we have 5 that are executive style that offer a larger storage capacity. The Airport Business Park has numerous businesses, such as T-Gen North, Joy Cone, and the airport has a partnership with Wiseman Aviation as our fixed based fuel operator.

The Airport Funds operates as an enterprise fund within the City of Flagstaff's municipal operations. Enterprise Funds are used to account for operations that provide services to the general public for a fee. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for an activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges, or 3) it is the policy of the City to establish activity fees or charges to recover the cost of providing services, including capital costs.

# Airport Parking Cost Considerations

## Overview

The City of Flagstaff's Airport Fund is investing approximately \$4.9 Million to construct additional parking capacity and upgrade to a paid parking program. When developing the parking rates, staff is considering several components to assure our Airport Fund can sustain operations as an enterprise fund. Four areas developed within the rates are: recovery of capital investments, new operational expenses, capital investments for parking lot improvements/parking capital equipment and reducing the impact to the City's General Fund.

### ***Capital Investment Recovery***

The first portion of the parking rates consideration is to recover costs related to the capital investments made to expand parking at the airport. The airport utilized a short-term loan from our General Fund to complete the design, construction and upgrades related to the expanded parking. It is recommended that parking rates assist with paying for the investments made. The recovery period is currently set for a 15-year return which would require \$330,000 in annual revenues.

### ***Operational Expenses***

Next, we have analyzed the cost of maintain a paid parking program including increase parking capacity. Airport staff has identified the following increased annual costs for the program:

- Parking Staff: \$80,000
- Increased utilities: \$10,000
- Increased landscape maintenance: \$21,000
- Increase snow management: \$19,000
- Hardware and software maintenance: \$48,000
- Credit card fees: \$90,000
- Annual striping and pavement maintenance: \$20,000
  - Total annual costs: \$288,000

As part of the long-range plan, staff is including an annual 3% inflation factor to the annual cost to assure that parking rates cover future growth in expenditures.

### ***Capital investments for parking lot improvements/parking capital equipment***

The existing premium parking lot will need to undergo improvements over the next 2-5 years at a cost of approximately \$1,250,000. The project is expected to be phased in over multiple years as paid parking revenues are available. As the lot is related to the parking program, it would be important to include these costs in the rates being adopted.

### ***Reducing the impact to the City's General Fund***

While the Airport Fund operates as an Enterprise type fund, there is often a reliance on the General Fund to assist funding of annual budget requests. Our goal with this rate adoption is to allow the Airport Fund to be self-sustaining through annual revenues. This approach is critical to allow the city airport to make operational and capital decisions with our competing for limited revenues on an annual basis. The airport has benefited from recent federal funding during the pandemic which has eliminated the reliance on the General Fund, however these funds are one-time benefits. In the Fiscal Year 2021-2022, the Airport Fund shows a \$450,000 annual ongoing need beginning in Fiscal Year 2024-2025. The parking rates proposed will allow for the Airport fund to eliminate its revenue reliance.

### ***Summary Airport Fund Cost Recovery***

Below is a summary of the cost being considered with the new paid parking program.

Financial Plan	FY 2021-22 (5 Months)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Costs						
Capital Investment Recovery	\$ -	330,000	330,000	330,000	330,000	330,000
Operations Expenses	120,000	288,000	296,640	305,539	314,705	324,147
Capital Improvements/Equipment	-	500,000	450,000	300,000	-	-
Airport Operations	-	-	-	150,000	450,000	450,000
Total Cost for Recovery	\$ 120,000	1,118,000	1,076,640	1,085,539	1,094,705	1,104,147

# Airport Parking Rate Proposal

## Staff Proposal

Staff has developed a parking rate proposal that will meet the proposed cost considerations for the airport. Parking rates were developed based on two considerations.

First is the financial consideration to assure that rates meet the cost recovery needs of the airport. Rates are proposed that will provide a balanced financial plan. We recognize that rate increases may be necessary in the future and recommend an increase effective July 1, 2023 after the initial rates go into effect to assist in keeping up with inflationary impacts. In addition to assure the Airport Fund eliminates the reliance on the General Fund, this rate is necessary. Rates also take into consideration of utilization of the airport parking lots after implementation. Our rates are proposed base on an estimated 400 cars utilizing the airport paid parking program. For simplicity of this analysis, we broke down the utilization with 200 daily use in the premium lot and 200 daily use in the economy lot. We look forward to gathering data after implementation of the parking program to reassure our revenues are meeting the airports revenue needs.

The second consideration is related to parking rates that other communities charge at their airports. Airport staff reviewed rates from seven airports in the region, which are summarized in the table below.

Airport	Parking Lot	Free Period	Hourly Rate	Daily Rate	Notes
<b>Prescott Regional</b>	Main	N/A	Free	Free	Up to 10 days free
<b>Laughlin/Bullhead International</b>	Main	N/A	Free	Free	
<b>Montrose Regional</b>	Main	½ hour	None	\$8.00	\$95 monthly & \$750 annual
<b>St. George Regional</b>	Main	½ hour	None	\$7.00	
<b>Durango – La Plata Co.</b>	Main Terminal	½ hour	\$2.00	\$7.00	\$1 per 30 min up to daily rate
	Credit Card	None	\$2.00	\$7.00	\$1 per 30 min up to daily rate
<b>Tucson International</b>	Hourly	None	\$2.00	\$13.00	\$1 per 30 min up to daily rate
	Daily	None	\$2.00	\$10.00	In front of Terminal
	Economy	None	None	\$4.50	Requires shuttle ride
<b>PHX Sky Harbor International</b>	East Economy (Uncovered)	None	\$4.00	\$12.00	Requires Sky Train ride

These airports can be broadly placed in three categories in relation to the Flagstaff Pulliam Airport, which has currently has nine arrivals daily. Prescott Regional Airport and Laughlin/Bullhead International Airport have fewer flights than Flagstaff with one to three arrivals daily. Durango – La

Plata County Airport, St. George Regional Airport, and Montrose Regional Airport have slightly more flights than Flagstaff with between 10 and 15 arrivals daily. Phoenix Sky Harbor International Airport and Tucson International Airport are significantly busier than Flagstaff with dozens or hundreds of arrivals daily.

Based on these considerations, staff is proposing the following rate structure:

Staff Proposed Rates	Effective January 21, 2022	Effective July 1, 2023
<b>1<sup>st</sup> hour</b>	Free	Free
<b>Per hour rate (after 1<sup>st</sup> hour)</b>	\$ 2.00	\$ 2.00
<b>Per day rate – Premium Lot</b>	\$ 7.00	\$ 8.00
<b>Per day rate – Economy Lot</b>	\$ 5.00	\$ 6.00
<b>Weekly rate – Premium Lot</b>	\$ 42.00	\$ 48.00
<b>Weekly rate – Economy Lot</b>	\$ 30.00	\$ 36.00

Relative to the comparison airports, the proposed rates are higher than the airports with less traffic (Prescott, Laughlin/Bullhead), and lower than or comparable to the airports with slightly more traffic (Durango – La Plata Co., St. George Regional, Montrose Regional).

Staff also recognizes that we will need to develop an employee parking program for businesses operating out of our airport. The cost of the program should also be covered by the businesses that will be utilizing the parking lots. These rates will be brought forward for Council adoption.

### **Review of five-year plan**

Base on the parking rate proposal and the costs being considered, staff has developed a five-year plan to demonstrate the balanced approach.

Financial Plan	FY 2021-22 (5 Months)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Beginning Balance	\$ -	245,000	20,520	6,760	4,541	13,596
Resources						
Parking Revenue	\$ 365,000	893,520	1,062,880	1,083,320	1,103,760	1,124,200
Other Revenue	-	-	-	-	-	-
Total Resources and Balance	\$ 365,000	1,138,520	1,083,400	1,090,080	1,108,301	1,137,796
Uses of Funds						
Capital Investment Recovery	\$ -	330,000	330,000	330,000	330,000	330,000
Operations Expenses	\$ 120,000	288,000	296,640	305,539	314,705	324,147
Capital Improvements	-	500,000	450,000	300,000	-	-
Airport Operations	-	-	-	150,000	450,000	450,000
Total Uses of Funds	\$ 120,000	1,118,000	1,076,640	1,085,539	1,094,705	1,104,147
Ending Balance	\$ 245,000	20,520	6,760	4,541	13,596	33,649

### **Airport Commission Meeting**

At the October 14, 2021, staff has provided the Airport Commission the parking rate considerations. Commission was supportive of the rates that staff proposed.

### **Public Outreach Meetings**

City staff presented to the Airport Commission on October 14, 2021. Information about the airport paid parking was presented in the last Flagstaff Business News. Staff will be preparing a presentation to the Tourism Commission on November 23, 2021. Staff will provide a press release related to airport paid parking program in November as well as posting notices about the proposed airport parking rates at in the airport terminal.

### **City Council Meetings**

On December 7, 2021, the City will hold a public hearing and staff will present an ordinance along with the rate analysis information to the Council. Council could accept staff recommendation or adjust, such as increasing or decreasing the parking rates. Or the Council could choose to not read the ordinance the first time and direct staff to bring the item back with amendments. If Council completes the first read of the ordinance, a second read will be required at the December 21, 2021 meeting prior to adopting the parking rates. To meet the funding outlined in this analysis, the parking rates would need to be effective January 21, 2022.



A wide-angle photograph of the Flagstaff Pulliam Airport. In the foreground, a dark asphalt runway with white directional arrows leads towards the background. To the left of the runway, there are several hangars and airport buildings. In the distance, a range of mountains is visible under a blue sky with scattered white clouds.

# Flagstaff Pulliam Airport Paid Parking Rates Ordinance



# Airport Parking Lots



## Existing Lot:

- Now referred to as the **Terminal Lot** consisting of 385 spaces
- Will be renovated
- Will have paid parking entry and exit gate arm system

## New Lot:

- Now referred to as the **Terminal Economy Lot**
- 413 new spaces
- Internal walkways, head light wall, 8' wide sidewalk to terminal
- Two entry/exit locations w/ gate arm system





# Benefits of Paid



## **Parking:**

- The new lot will increase existing inventory, provide for bus use, future expansion of electric vehicle charging, and bicycle paths

## **Revenues:**

- The revenues from the paid parking will pay for the construction costs and will help us with ongoing operational and maintenance needs.





# Public Input



## **Presentations:**

- Airport Commission recommended the rates
- Flagstaff Chamber of Commerce Advisory Council
- Tourism Commission



# Questions from Facebook



**Q: What will it cost those who park along the islands not in marked spots? Is that the premium?**

**A:** Parking must be in marked spots only. Parking outside of the parking lots will be subject to a parking enforcement.

**Q: When will enforcement begin?**

**A:** We are finishing up the overall construction of the lot. Once we get further along, we will notify the public of start dates.



# Questions from Facebook



**Q: Will there be more parking in the future after these rates are in place?**

A: 385 plus the 413 spots will be available for the airport patrons.

**Q: When will this new lot open?**

A: We are aiming for a soft opening with no paid parking element for February 1. The paid parking element will come after our gate arm system is installed.



# Questions from Facebook



**Q: Wait, so we have to pay for parking now?**

A: No, for now we are in the construction phase and still completing several processes. We will be in front of the Council on 12/7 for a first read of the rates and a second read on 12/28. Rates will be ready to be in effect by January 28, 2022. We will not charge for parking until we have the entire system in place and will notify the public.





# New Terminal Economy Lot



## Costs:

- The new lot and upgrades to existing lot \$4.9 million
- Parking Staff \$80,000
- Increase utilities \$10,000
- Landscape maintenance \$21,000
- Snow management \$19,000
- Hardware and software \$48,000
- Credit card fees \$90,000
- Annual pavement maintenance \$20,000
  - Total \$288,000







# Financial Plan



## Addresses: Capital Investment Recovery, Future Capital Investments, Operation Expenses, General Fund Reliance

Financial Plan	FY 2021-22 (5 Months)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Beginning Balance	\$ -	245,000	20,520	6,760	4,541	13,596
Resources						
Parking Revenue	\$ 365,000	893,520	1,062,880	1,083,320	1,103,760	1,124,200
Other Revenue	-	-	-	-	-	-
Total Resources and Balance	\$ 365,000	1,138,520	1,083,400	1,090,080	1,108,301	1,137,796
Uses of Funds						
Capital Investment Recovery	\$ -	330,000	330,000	330,000	330,000	330,000
Operations Expenses	\$ 120,000	288,000	296,640	305,539	314,705	324,147
Capital Improvements	-	500,000	450,000	300,000	-	-
Airport Operations	-	-	-	150,000	450,000	450,000
Total Uses of Funds	\$ 120,000	1,118,000	1,076,640	1,085,539	1,094,705	1,104,147
Ending Balance	\$ 245,000	20,520	6,760	4,541	13,596	33,649



# Proposed Parking Rates



Rates developed to achieve a balanced financial plan:

Staff Proposed Rates	Effective January 21, 2021	Effective July 1, 2022
1 <sup>st</sup> hour	Free	Free
Per hour rate (after 1 <sup>st</sup> hour)	\$ 2.00	\$ 2.00
Per day rate Terminal Lot	\$ 7.00	\$ 8.00
Per day rate – Terminal Economy Lot	\$ 5.00	\$ 6.00
Weekly rate – Terminal Lot	\$ 42.00	\$ 48.00
Weekly rate – Terminal Economy Lot	\$ 30.00	\$ 36.00

# Flagstaff Pulliam Airport

THANK YOU!



## Council Action

- **Dec 7th 1st Read of Ordinance 2021-23**
- **Dec 28th: 2nd Read and Adoption of Ordinance 2021-23**

## CITY OF FLAGSTAFF STAFF SUMMARY REPORT

**To:** The Honorable Mayor and Council  
**From:** Amy Hagin, Parks Manager  
**Co-Submitter:** Martin Ince  
**Co-Submitter:** Stacey Brechler-Knaggs  
**Date:** 12/09/2021  
**Meeting Date:** 12/28/2021



---

### TITLE:

~~Consideration and Adoption of Resolution No. 2021-62: A resolution approving submission of an application to Arizona State Parks and Trails for a Heritage Fund Trails Grant to make accessibility enhancements at Buffalo Park and the Nate Avery FUTS Trail~~

### STAFF RECOMMENDED ACTION:

- ~~1) Read Resolution No. 2021-62 by title only~~
- ~~2) City Clerk reads Resolution No. 2021-62 by title only (if approved above)~~
- ~~3) Adopt Resolution No. 2021-62~~

### Executive Summary:

This Staff Summary seeks approval of the grant application and approval upon award to Arizona State Parks Heritage Fund for the Buffalo Park - Nate Avery Trail Accessibility Enhancements. Parks and Multi-Modal Transportation are requesting grant funds in the amount of \$100,000 to enhance accessibility for the Nate Avery Flagstaff Urban Trail System (FUTS) Trail in Buffalo Park. The intent is to make the trail and other features of the park more accessible so that a broader segment of the community including those with mobility limitations can more easily use the trail and access the natural area. The city match and contribution of \$135,453 will be accomplished with funds from both Parks operating capital, FUTS capital, and in-kind services.

### Financial Impact:

The expenditures on the city match and contribution have been accounted for in the Parks operating capital in the amount of \$52,000, in FUTS capital in the amount of \$25,877 and in-kind work through labor, equipment and materials estimated at \$57,576.

### Policy Impact:

None

### Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:

## **Priority Based Budget Key Community Priorities and Objectives**

Inclusive and Engaged Community through ensuring city facilities, services and programs are accessible for all residents and representative of Flagstaff's diverse community.

## **Regional Plan**

Pedestrian Infrastructure and Goals Policy T.5.3 by identifying specific pedestrian mobility and accessibility challenges and develop a program to build and maintain necessary improvements

## **Has There Been Previous Council Decision on This:**

No

## **Options and Alternatives:**

1. Adopt the Resolution
2. Not adopt the Resolution

## **Background/History:**

City Parks and Multi-Modal Transportation began discussing the concept of making the 2-mile loop trail known as the Nate Avery FUTS Trail at Buffalo Park accessible in 2019, with the idea of making the trail accessible to all users. After the completion of the accessible permanent restrooms at the park, the team began to discuss how we could bring this concept to an inclusive and equitable project with city funding as well as any grant opportunities. The Heritage Fund through Arizona State Parks is providing the grant opportunity should the City of Flagstaff be successful in this application.

The application, if approved, would consist of resurfacing the Nate Avery FUTS Trail with the current aggregate mix that is suitable for wheeled devices such as wheelchairs. It would also repair existing drainage issues on the trail, provide signing and information to trail users regarding the accessible route, add accessible parking spaces and an accessible route to the entrance, expand the concrete entrance at the park to the existing accessible restrooms, modify the existing exercise stations along the trail loop for wheelchair access, and replace up to six (6) exercise stations to new accessible/universal design stations.

## **Key Considerations:**

The Flagstaff community deserves to have the 215-acre Buffalo Park inclusive and accessible for all to enjoy.

## **Community Benefits and Considerations:**

The outdoor passive recreational space and natural area is one of our community's most iconic locations with over 380 visitors per day walking the Nate Avery FUTS Trail.

## **Community Involvement:**

Inform. Presentations have been made to the Parks and Recreation Commission, the Commission on Inclusion and Adaptive Living, and the Pedestrian Advisory Committee.

---

**Attachments:**     [Res. 2021-62](#)  
                              [Heritage Fund pre-application](#)  
                              [Heritage Fund grant application](#)  
                              [Vicinity and site maps](#)  
                              [Project area photos](#)

Project budget

Letters of support



## RESOLUTION NO. 2021-62

### A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING SUBMISSION OF AN APPLICATION TO ARIZONA STATE PARKS AND TRAILS FOR A HERITAGE FUND TRAILS GRANT TO MAKE ACCESSIBILITY ENHANCEMENTS AT BUFFALO PARK AND THE NATE AVERY FUTS TRAIL

#### RECITALS:

WHEREAS, the State of Arizona has authorized the Arizona State Parks Heritage Fund to provide grant opportunities for trail projects, outdoor environmental education programs, local, regional, and state parks, as well as historic preservation projects through legislatively appropriated funds; and

WHEREAS, Arizona State Parks and Trails is responsible for the administration of the Heritage Fund Trails Program within the State, setting up necessary rules and procedures governing application by eligible project sponsors under the program; and

WHEREAS, the adopted procedures established by Arizona State Parks and Trails require the project sponsor to certify by resolution the approval of applications, signature authorization, the availability of local matching funds, and authorization to sign a Project Agreement with Arizona State Parks and Trails prior to submission of the application to Arizona State Parks and Trails; and

WHEREAS, the City of Flagstaff has prepared a Heritage Fund grant application for a variety of accessibility enhancements at Buffalo Park, including resurfacing the Nate Avery Trail to make it usable for wheelchairs, adding accessible parking spaces and an accessible route into the park, retrofitting existing parcourse exercise stations to make them accessible, and replacing six existing stations with universal design equipment.

#### ENACTMENTS:

**NOW, THEREFORE, BE IT RESOLVED THAT THE COUNCIL OF THE CITY OF FLAGSTAFF HEREBY:**

SECTION 1. Approves the filing of an application for non-motorized assistance through the Arizona State Parks and Trails Heritage Fund Trails Program in the form attached to this resolution as **Exhibit A** and incorporated herein, and

SECTION 2. Certifies that the application is consistent and compatible with all adopted plans and programs for non-motorized trails facility development; and

SECTION 3. Agrees to comply with all appropriate procedures, guidelines, and requirements established by Arizona State Parks and Trails as a part of the application process; and

SECTION 4. Certifies that the City of Flagstaff will comply with all appropriate state and federal regulations, policies, guidelines, and requirements as they relate to the application; and

SECTION 5. Certifies that the City of Flagstaff has matching funds for the project, and

SECTION 6. Authorizes the City Manager of the City of Flagstaff to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, amendments, billing statements, and so on which may be necessary for the completion of the aforementioned project.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 28th day of December, 2021.

---

MAYOR

ATTEST:

---

CITY CLERK

APPROVED AS TO FORM:

---

CITY ATTORNEY

Exhibits:

Exhibit A – Application for Non-Motorized Assistance



---

## Non-Motorized Grant Application

### Section I. Grant Pre-Application

**Please be sure to fill out the budget section before submitting the pre-application.** For help with filling out the budget section, see the budget portion of the eCivis help doc by Clicking Here (<https://azstateparks.com/gallery/0004/0044/9A99B1F2836A4D029E12A49AAA9312BF/eCivis%20Help%20Do%20Applicant%20Version%20Revised%20October.pdf>)

- Current Volunteer Rate: \$28.54
- Current Mileage Reimbursement Rate \$0.445/mile

**Are you a local/ state agency or a non profit seeking the Heritage Fund for Trails?**

Yes

**Project Title:**

Buffalo Park - Nate Avery Trail Accessibility Enhancements

**Organization Name:**

City of Flagstaff

**Project Sponsor Address:**

211 West Aspen Avenue

**City:**

Flagstaff

**Zip code:**

86001

**Company/Agency/Organization Website:**

<https://www.flagstaff.az.gov/>

**Project Coordinator Name:**

Amy Hagin

**Job Title:**

Parks Manager

**E-mail:**

ahagin@flagstaffaz.gov

**Phone:**

928-326-1559

**Secondary Project Coordinator Name:**

Martin Ince

**Job Title:**

Multimodal Transportation Planner

**E-mail:**

mince@flagstaffaz.gov

**Phone:**

928-213-2685

---

## **Section II. Project Information**

Click on this link to verify your Congressional and Arizona Legislative Districts  
(<https://azredistricting.org/Maps/Final-Maps/default.asp>)

**Program/Project Congressional District (check all that apply)**

**Program/Project AZ Legislative District (check all that apply)**

6

**County (select all that apply):**

Coconino County

**Project Request Amount:**

**This is the amount you are requesting from the grant**

\$100,000.00

**Summarize the project proposal including scope and nature of what will be accomplished with the funds that you will receive:**

This project will enhance accessibility for all users of the Nate Avery FUTS Trail in Buffalo Park. The intent is to bring the trail and other features of the park into alignment with the Americans with Disabilities Act so that a broader segment of the community – including people with mobility limitations and those who use wheelchairs – can use the trail and enjoy the natural area.

The improvements were identified as part of an accessibility audit of all 58 miles of Flagstaff Urban Trails System (FUTS) trails conducted by the City's Commission on Inclusion and Adaptive Living. The audit identifies concerns and recommends improvements to make FUTS trails accessible to more users.

The following improvements to the trail and park are planned as part of this project:

- Resurface the Nate Avery Trail with a hard-packed aggregate mix suitable for wheelchair use
- Repair existing drainage issues on the trail
- Provide signing and information for trail users at the trailhead and along the trail
- Add accessible parking spaces and an accessible route into the park
- Expand the concrete entrance plaza
- Extend a concrete sidewalk to existing accessible restrooms
- Remove railroad ties around 18 exercise stations and provide a more wheelchair-friendly surface
- Replace up to six existing exercise stations with new accessible/universal design stations

Buffalo Park is 215-acre City park and natural area on Switzer Mesa that is one of the most popular areas in Flagstaff for walking, bicycling, and enjoying the outdoors. The Nate Avery Trail is a 2-mile loop around the park that provides panoramic views of the mountains to the north. The trail is 10 feet in width and surfaced with an aggregate material.

Providing better accessibility to Buffalo Park and the Nate Avery Trail is an important step for inclusion and equity in our recreation and natural areas.

**Upload Project Timeline:**

Buffalo Park Timeline.pdf

Please be sure to fill out the budget section before submitting the pre-application.

---

## 2020–2025 NON-MOTORIZED CRITERIA RESPONSE

### Non-Motorized Recommendations/Possible Points

*For additional instructions on how to complete this form, please see:*

Grants Manual

(<https://d2umhuunwbec1r.cloudfront.net/gallery/0004/0052/3500AA844B064EACAED3F311770AE3BD/201819%20Grant%20Manual%2010-12-18.pdf>)

---

### First Level Priorities and Scope Items – Maximum 10 Points Each

#### 1. Complete Environmental and Cultural Clearance and Compliance

Yes

#### Upload trail map showing work zone

Heritage grant - project components.pdf

#### 2. Maintain Existing Trails

Yes

#### 3. Prevent or Restore Damage to Environmental and Cultural Sites near trails

No

#### 4. Provide Trail Signs

Yes

---

### Second Level Priorities – Maximum 7 Points Each

### **1. Connect Trails to Other Trails, Parks, and Communities**

No

### **2. Develop Trails and Facilities to Increase Accessibility**

Yes

#### **Explain how you will increase accessibility**

The project will bring Buffalo Park and the Nate Avery Trail into ADA compliance in several ways: The 2-mile Nate Avery Trail will be resurfaced with an aggregate material to be more suitable for wheelchairs.

New universal design parcourse equipment will be added, and the existing exercise equipment will be made more accessible.

Accessible (paved) parking spaces and an accessible route into the park will be added.

Access paths to the restrooms and ramada near the park entrance will be paved or resurfaced to be more accessible

Information about accessibility will be provided via new signage at the trailhead and around the loop.

### **3. Enforce Existing Rules and Regulations**

No

### **4. Promote Safe and Responsible Recreation**

No

### **5. Provide Facilities Near Trails**

Yes

#### **Please attach map/plan**

Heritage grant - combined maps.pdf

### **6. Provide Trail Maps and Information**

No

---

**Third Level Priorities – Maximum 4 Points Each**

**1. Construct new trails**

No

**2. Obtain land for trails and trails access**

No

---

**Bonus**

**1. Project located in Rural Arizona (4 Points)**

No

**2. Diversity of Trail Uses (2 Points)**

Yes

**If yes, select all that apply**

Bike, Hike

**3. Youth Corps Involvement (2 Points)**

No

**4. Need Identified in Planning Document (2 Points)**

Yes

**Please provide document if available**

Flagstaff Regional Plan 2030 - Flagstaff Regional Trails Strategy - excerpts.pdf

---

## Categorical Exclusion

---

### Instructions

---

#### I. Project Identification

**Project Sponsor:**

City of Flagstaff

**Project Title:**

Buffalo Park - Nate Avery Trail Accessibility Enhancements

**Grant Request Amount:**

\$100,000.00

**Sponsor Match Amount:**

\$135,453.00

**Total Project Cost (Request+Match):**

\$235,453.00

**Is this an education only project?**

No

---

#### II. CE Checklist



To assist in answering questions concerning potential impacts on resources in the project area please follow the below link to the **Arizona Game and Fish Environmental Review Tool**. Please complete and submit your project through the Arizona Game and Fish Environmental Review Tool. Shortly after submitting your project, a **completed report** will be emailed to you. This report contains information that will assist in the completion of your application. This report also contains a series of maps that are required for subsequent sections of the application. Please complete this report before completing this section of the application.

For instructions on how to complete this form, please refer to the AZ State Parks & Trails Grants Manual

(<https://d2umhuunwbec1r.cloudfront.net/gallery/0004/0052/3500AA844B064EACAED3F311770AE3BD/201819%20Grant%20Manual%2010-12-18.pdf>)

Link: AZ Game and Fish Environmental Review Tool (<https://ert.azgfd.gov/>)

If the answer to all of the below questions is NO, the proposed action qualifies for processing as a C-list Categorical Exclusion action under 23 CFR 771.117(c)(23). If the answer to any of the below question is YES, contact the Grants Staff to confirm the level of environmental documentation.

**Please attach completed Game and Fish Report:**

project\_report\_buffalo\_park\_nate\_avery\_tra\_46082\_47563.pdf

**1. Does the project involve any permanent easement or acquisition of right-of-way?**

No

**2. Are there National Register listed or eligible sites in the Project Area?**

No

**3. Will the project affect any National Register listed or eligible sites?**

No

**4. Does the project involve construction in, across or adjacent to a river component?**

No

**5. Are there threatened or endangered species or critical habitat designated or proposed under the Endangered Species Act present?**

No

**6. Will the project result in 1 or more acres of ground disturbance?**

No

**7. Does the project involve any other impacts that may be considered unusual?**

No

---

## Cultural Clearance

---

### Instructions

**Check here if this is an education only project and no disturbance will occur (Note: installing signs & trash-removal are considered disturbance)**

Checking Education Only completes this form.

In Arizona, the Arizona Department of Transportation (ADOT), the Federal Highway Administration (FHWA) and the State Historic Preservation Office (SHPO) participate in a process to determine the effect, if any, a proposed project may have on significant archaeological and/or historical cultural resources. Significant cultural resources are those that are eligible for listing on the Arizona or National Registers of Historic Places. Each grant application recommended for funding will be reviewed as part of this process. To assist in this review, the applicant is required to submit the following information with each application for funding assistance.

*For additional instructions on how to complete this form, please follow the attached links :*

Grants Manual

(<https://d2umhuunwbec1r.cloudfront.net/gallery/0004/0052/3500AA844B064EACAED3F311770AE3BD/201819%20Grant%20Manual%2010-12-18.pdf>)

---

### Section I. Attachments

If these documents are missing, your project cannot be reviewed, and your application and funding will be delayed.

**Is the applicant a signatory to the Programmatic Agreement Pursuant to Section 106 of the National Historic Preservation Act Regarding Implementation of Federal-Aid Transportation Projects in the State of Arizona (PA)?**

No

To view the most recent Programmatic Agreement (Section 106) Click Here  
(<https://azdot.gov/sites/default/files/media/2021/03/programmatic-agreement.pdf>)

**A copy of the cultural resources survey report(s) if a survey of the property has been conducted must be uploaded.**

Buffalo Park-Nate Avery Trail AE Cultural Inventory - Summary Report.pdf

**A copy of any comments regarding eligibility, findings of effect, and any conditions associated with findings made by the land managing agency/landowner and archaeologist (i.e. state, federal, county, municipal) on potential impacts of the project on archaeological and/or historical cultural resources.**

Heritage Memo Buffalo Park ADA review.pdf

**A copy of SHPO comments, if the survey report has already been reviewed by SHPO.**

**If applicable to the project, attach a current agency Decision Memo.**

**Additional Documents: Upload additional surveys and any other documents related to cultural resources here:**

**Additional Document:**

---

## **Section II.**

Please answer the following:

**Biggest Mistake Made:** Failure to list all land managers within the project area. Example: Applicant submits trail project and all trails exist within land owned by applicant except for a 1/4 mile section of one of the project trails. A small section crosses over a small parcel owned by ASLD (or Reclamation). If an agreement allowing you to develop/maintain that ASLD-owned parcel exists between your agency and ASLD please attach document directly above (Additional Documents). If

no agreement is in place or the agreement has expired please stop working on the application and contact ASPT to discuss issue. Projects must be shovel ready-if you do not have permission from all land managers to conduct work your project is not shovel ready.

**Current Land Owner/Manager(s):**

City of Flagstaff

**Project Location, including Township, Range and Section:**

Sections 10 and 11, Township 21 North Range 7 East

**Total project area in acres (or total miles if trail):**

Buffalo Park is 215 acres, the Nate Avery Trail and the accessible cutoff are 2.25 miles in length

**Does the proposed project have the potential to disturb the surface and/or subsurface of the ground?**

Yes

**Please provide a description (what, where, why, and how) of the proposed project, and specifically identify any surface and/or subsurface impacts that are expected.**

The project includes the following components:

Resurface the Nate Avery Trail with an aggregate mix suitable for wheelchair use. The new material will be placed on top of the existing trail, so no new disturbance will be created.

Repair existing drainage issues on the trail, generally this involves installing 12-18 inch culverts under the trail at locations where water flows cross the trail. This work will require small areas of excavation for culvert end sections and inflow/outflow on both sides of the trail.

Provide signing and information for trail users at the trailhead and along the trail. New signs require excavation for a concrete base approximately 12 inches in diameter and 18 inches in depth.

Add accessible parking spaces and an accessible route into the park, expand the concrete entrance plaza, and extend a concrete sidewalk to the accessible restrooms. this work involves pouring concrete in areas that are already disturbed. No new disturbance is anticipated or needed.

Remove railroad ties around 18 exercise stations and provide a more wheelchair-friendly surface, and replace up to six existing exercise stations with new accessible/universal design stations. These areas are already disturbed, and no new disturbance is anticipated or needed.

**Provide measurements for anticipated surface (areal) and subsurface (depth) disturbances that will be part of the proposed project.**

The total estimated area of work for this project is 3.3 acres. Almost all of the work will occur on land that is already disturbed. New disturbance will be limited to approximately 2400 square feet, which corresponds to the culvert end sections for 12 new drainage crossings along the trail.

Sources of disturbance are detailed below:

Trail resurfacing: area = 118,640 sf / 2.72 acres | depth = 0 inches

New drainage culverts: area = 3120 sf / 0.07 acres | depth = 24 inches

Unauthorized trail naturalization: area = 12,420 sf / 0.29 acres | depth = 6 inches

New sign posts: area = 36 sf | depth = 24 inches

New concrete: area = 4552 sf / 0.10 acres | depth = 12 inches

Rehab/new exercise stations: area = 5184 sf / 0.12 acres | depth = 6 inches

**Discuss both direct and indirect impact areas, such as staging areas and access routes that will be used as part of the project.**

Construction staging and any materials storage will use the existing aggregate parking lot. Access for construction vehicles will be limited to existing trails, which are 10 feet in width.

**Describe the condition of the current ground surface within the entire project boundary area (for example, is the ground in a natural undisturbed condition, or has it been bladed, paved, graded, etc.).**

Buffalo Park's parking lot, entry vestibule, and access routes are all compacted aggregate surfaced. The Nate Avery Trail and the Arizona Trail through the park are also compacted aggregate. Base materials at the existing exercise stations are wood chips within a railroad tie frame. The remainder of the park is natural undisturbed land including open grassland and stands of Ponderosa pines at a variety of densities.

**Estimate horizontal and vertical extent of existing disturbance**

Existing disturbance at Buffalo Park is estimated at 7 acres. This area includes trails, parking, the entry vestibule and buildings, and the water tank.

**Has the project area been previously surveyed for cultural resources by a qualified archaeologist?**

Yes

**Please submit a copy of the survey report. Please attach any comments on the survey report made by the land managing agency and/or SHPO**

Buffalo Park-Nate Avery Trail AE Cultural Inventory - Summary Report.pdf

**Are there any known prehistoric and/or historical archaeological sites in or adjacent to the project area?**

No

**Are there any buildings or structures (including mines, bridges, dams, canals, etc.) that are 50 years or older in or adjacent to the project area?**

Unknown

**Is your project area within or adjacent to a historic district?**

No

---

## **Section III**

**Will your project involve any of the following activities? (please check all that apply)**

Signs, kiosks, and markers replacement or installation, Upgrading the trail and or parking lot from dirt to stone or woodchips, or stone or woodchips to paved (asphalt, concrete, etc.), Drainage

**Compliance under the Americans with Disabilities Act (ADA) including the following:**

Resurfacing (to pavement or boardwalk), Parking and Trail Access, Signage, Permanent installation of ancillary facilities (ex. port-a-potties, bike racks, lighting, benches, trash receptacles, etc.), Renovation and restoration of trails and trail access routes, in-kind within an established path or trail way, Regrading of trail and/or parking areas within established trail way

**If yes to any items from SECTION III please provide a short description of the work to be done.**

Signs: Directional signs will be placed to guide users at both ends of the accessible cut-off trail. Accessibility information about the trail will be added to the main sign kiosk near the entry.

Upgrading the trail: The existing loop trail and accessible cut-off will be resurfaced from loose aggregate to a hard-packed, small aggregate material that is more suitable for wheelchair use.

Drainage: Existing drainage and erosion problems along the trail will be fixed, typically by installing new culverts under the trail to keep water off the trail.

Resurfacing: The trail will be resurfaced with a hard-packed aggregate material that is suitable for wheelchair use.

Parking and trail access: The project includes new concrete accessible parking spaces and a concrete accessible route into the park.

Signage: Directional signs will be placed to guide users at both ends of the accessible cut-off trail. Accessibility information about the trail will be added to the main sign kiosk near the entry.

Portable toilets: Accessible toilets were recently installed near the park entrance. This project will connect extend a concrete sidewalk to better connect the toilets to the entry.

Ancillary facilities: The project includes installation of six new universal design parcourse stations, and rehabilitation of the remaining 12 station bases to make them more accessible. A series of benches are also being installed around the trail to provide resting and viewing spots for users.

Renovation and restoration of trails and trail access routes, in-kind within an established path or trail way. Project components include resurfacing the main loop trail to make it more accessible and fixing drainage problems.

Regrading of trail and/or parking areas within established trail way. The main loop trail will be resurfaced, and a portion of the existing parking lot will be paved for accessible spaces.

---

## **Signatures**

**NOTE:** *This form must be reviewed and electronically signed by the archaeologist for agencies that have a staff archaeologist. Please have the archaeologist register in eCivis by contacting parks staff at 602-542-7124.*

**Archaeologist Printed Name and Title Here:**

Lynn Neal, Historic Preservation Specialist/Archaeologist, LA Neal Consulting, LLC



Agency Archaeologist must provide a short statement, on agency letterhead, indicating support for the project. Archaeologist must sign the letter. Note: Non-profits must have the land manager's archaeologist complete this step.

**Archaeologist Approval Letter (Application will not be processed and reviewed by Park staff, committees and Parks Board if a signed letter of approval from agency's archaeologist is not provided here.)**

ArchaeologistProjectApprovalLetter\_11-18-21.pdf

**Applicant Printed Name and Title Here:**

Martin Ince, multimodal transportation planner

---

## Resolution and ADA Compliance

---

### Resolution

#### Is your organization a federal, state, or tribal agency?

No

#### RESOLUTION

*Sponsors MUST incorporate items 1 through 6 from the sample resolution below in their resolution and it MUST be signed by the appropriate official authorized to commit funds.  
(For Non-Federal Entity Project Sponsors ONLY)*

#### APPROVING THE APPLICATION FOR A NON-MOTORIZED OR MOTORIZED GRANT

*WHEREAS*, the Congress of the United States has authorized the Recreational Trails Program (RTP) as a federal-aid assistance program to help states provide and maintain recreational trails for motorized and non-motorized recreational use, and the State of Arizona has established the Off-Highway Vehicle Recreation Fund to fund a variety of off-highway vehicle recreations projects, and these funds are available to eligible project sponsors for acquiring lands and developing facilities for public off-highway vehicle purposes; and

*WHEREAS*, Arizona State Parks (Parks) is responsible for the administration of the Statewide OHV and RTP Programs within the State, setting up necessary rules and procedures governing application by eligible project sponsors under the program; and

*WHEREAS*, said adopted procedures established by Parks require the project sponsor to certify by resolution the approval of applications, signature authorization, the availability of local matching funds (if applicable), and authorization to sign a Project Agreement with the Parks prior to submission of said applications to the Parks; and

*NOW, THEREFORE, BE IT RESOLVED THAT THE PROJECT SPONSOR'S GOVERNING BODY* hereby:

1. Approves the filing of an application for motorized or non-motorized assistance, and
2. Certifies that the application is consistent and compatible with all adopted plans and programs of: for motorized/non-motorized trails facility development; and
3. Agrees to comply with all appropriate procedures, guidelines, and requirements established by the Parks as a part of the application process; and
4. Certifies that Project Sponsor will comply with all appropriate state and federal regulations, policies, guidelines, and requirements as they relate to the application; and
5. If applicable, certifies that Project Sponsor has matching funds

6. Appoints the agent listed below as agent of (Project Sponsor's Governing Body) to conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, amendments, billing statements, and so on which may be necessary for the completion of the aforementioned project.

I, the undersigned being the duly appointed and qualified project sponsor, certify that the foregoing Resolution No. is a true, correct and accurate copy of the Resolution No. Passed and adopted at a regular meeting of the Project Sponsor, held on the date listed below at which a quorum was present and voted in favor of said Resolution.

**Resolution Number:**

**Project Sponsor Name:**

City of Flagstaff

**Project Sponsor's Governing Body (if different from Sponsor Name) :**

**Project Title:**

Buffalo Park - Nate Avery Trail Accessibility Enhancements

**Signed by:**

**Date:**

A draft resolution may be submitted with the application. The final resolution must be provided before the Project Sponsor Agreement can be signed. The application will be ineligible if a resolution is not submitted.

**If you have a completed Resolution please upload it here:**

Resolution No 2021-XX (002).pdf

DISABILITIES ACT AND COMPLIANCE Title II, Americans with Disabilities Act of 1990\_\_P.L. 101-336, 42 U.S.C. Chapter 126\_\_THE UNDERSIGNED ACKNOWLEDGES AWARENESS OF AND THE RESPONSIBILITY TO COMPLY WITH THE FOLLOWING: *Title II, of the Americans with Disabilities Act, ("ADA") and federal department regulations on its implementation. It is understood that recipients of Arizona State Park motorized project funds are required to comply with Title II of the ADA and those regulations of federal departments and agencies on its implementation. The ADA and federal department regulations mandate that: No qualified individual with a disability shall, on the basis of disability, be excluded from participation in or be denied the benefits of the services, programs or activities of a public entity, or be subjected to discrimination by any public entity. See 28 CFR Part 35. This assurance is effective as of the date of state approval of funds and throughout the period during which real or personal property is used.*

**Authorized Agent:**

Martin Ince

**Title**

Multimodal transportation planner

**Date**

11/19/2021

---

## **Nonprofit Certification Statement**

**Is your agency a non-profit or club?**

No

Mark this form as complete as it only pertains to non-profit organizations and clubs.

---

## Instructions

All projects are required to submit an updated species map list and attach to the NEPA Form (separate form in your application).

The species list is generated by using the AZ Game and Fish's Environmental Review Tool-which produces the required map. In addition, the Game & Fish tool also includes many other mapping features to add layers, identify Section, Township, Range; land ownership and to draw/identify trails, trailheads, location of projected signage, etc.

*We recommend that applicants consider using this Tool to develop all maps required in this Section and in other specific areas of the application.*

Grant Manual

(<https://d2umhuunwbec1r.cloudfront.net/gallery/0004/0052/3500AA844B064EACAED3F311770AE3BD/2018-19%20Grant%20Manual%2010-12-18.pdf>)

Arizona Game and Fish Environmental Review Tool (<https://ert.azgfd.gov/>)

Map & Photo Examples for Project Sponsors

(<https://d2umhuunwbec1r.cloudfront.net/gallery/0004/0052/B56754DB878641FDBC7A5BB28DFDFC7A/Maps%20&%20Photos%20Guid>)

### Is this an education only project?

No

---

## Project Area Maps & Photos

Please download the State Map Form

(<https://d2umhuunwbec1r.cloudfront.net/gallery/0004/0052/A2669D0C09D94776B4FD61C9946F70AA/ArizonaStateMap.pdf>) & mark the location of your project area; when complete upload the State Map below.

### State Map:

5a Arizona State Map.pdf

Provide a legible and detailed series of maps showing the project area in close detail.

-Please identify all project activities and any other related project actions including the location of signs, access roads, and staging areas.

-Please combine all maps into 1 file, convert to pdf and upload below.

*\*See instructions above on map support and recommendations using the Game & Fish map program.*

### Combined Maps:

Heritage grant - combined maps.pdf

Please upload a series of color photographs that show the project area, land acquisition or specific features. -Photographs should document as many of the proposed scope items as possible. -Please provide a short, written description of each photo. -Attach photos of project area to document condition, particularly of those areas that have experienced impacts. *\*If there are any buildings or structures (including mines, bridges, dams, canals, etc.) that are 50 years or older in or adjacent to (within 100 yards) the project area please include photos of the building/structure and identify as such.*-Submit all your pictures on one (1) PDF file, save to your computer and upload PDF here.

### Color Photographs:

Buffalo Park Photos.pdf

---

## Trail Information Table

**Purpose of Section:** Every trail that will receive funds for activities related to building/maintenance must be identified and listed here separately.

**Trail Name/Number:**

Nate Avery Trail  
Nate Avery Cutoff  
Arizona Trail

---

## Kiosks, Signs & Support Facilities

**Section Instructions**

-Projects involving the installation of signs, kiosks, and or support facilities (Trailheads, Restrooms) must provide a map and or photo(s) showing the location of each.

-Below, please provide trail name and information on what signs, kiosks, and/or support facilities will be added to trails/ staging areas.

*We do not need maps for fiberglass trail markers/signs that result in less than 12-18 inches of ground disturbance.*

**Trail Name/ Number:**

Nate Avery Trail

**List as bullet points: Signs/Kiosks/Support Facilities and quantity for above trail/staging area**

Existing parcourse exercise stations: 18 existing stations around the loop will be retrofitted to remove railroad tie bases and replace groundcover to make them more accessible

New universal design parcourse exercise stations: replacement of 6 existing stations with new universal design equipment

Trailhead sign: add information and maps to existing trail sign with accessibility and route information

Directional signs: placed along the trail to direct users to the accessible cutoff trail

**Upload Maps Here**

Heritage grant - project components.pdf

---

## Tenure of Property and Additional Documents

The applicant is responsible for operation and maintenance of grant assisted facilities or equipment and retention of land acquisitions according to the Term of Public Use established in the General Provisions. The Term of Public Use must be at least 25 years for equipment over \$50,000 (personal property), 25 years for facilities (real property) and 99 years for acquired land.

The applicant MUST submit documentation to demonstrate the control (i.e., deed, lease, easement, etc.) and tenure (i.e., 25 years, 50 years, etc.) of the land where the project site is located. For a development project, the applicant must include copies of the document which evidences control and tenure of the proposed project site. Evidence of control and tenure can be shown by submitting copies of the required documents listed in either #1 or #2 below.

1. Title or Deed -- If the land proposed for development is owned by the applicant, the following must be submitted with the application:

- copy of the recorded title or deed
- legal description of the deed with an attached map
- updated copy of title insurance for the property or a title opinion

In lieu of title insurance, a "title opinion" of the applicant's legal representative may be submitted. This opinion will certify that the title is vested in the applicant and there are no outstanding liens or encumbrances imposed against the property, which would adversely affect the proposed development.

1. Leases, Easements, Permits, or Special Use Agreements -- Lands not owned by the applicant may be developed with grant assistance if provisions exist in a lease or use agreement. The lease, permit, or special use agreement must adequately safeguard the long-term use of the land for public recreation. AN APPLICATION WILL BE CONSIDERED INELIGIBLE IF A LEASE OR SPECIAL USE AGREEMENT IS NOT INCLUDED IN THE APPLICATION. The following must be submitted with the application:

- copy of the signed lease, easement, permit, or special use agreement.
- map depicting the area(s) existing or proposed for lease, easement, permit, or agreement

\*NOTE: For a development project, an applicant must have a minimum of a 25-year lease with at least 20 years remaining at the time an application is submitted. The lease must include the provisions that (1) the lessee has the first right of lease renewal, and (2) the lessor cannot cancel the lease without cause. If the a 25-year lease has at least 20 years remaining, the application must include a letter of intent to exercise the option to renew (page 20). Proposed projects on State Trust Land leases will be considered on a case-by-case basis, however; must comply with the 25-year Term of Public Use.

**Upload Tenure of Property/ Evidence of Control here:**

Current Vesting Deed.pdf

**Additional Tenure of Property Upload:**

Buffalo Park land exchange.pdf

**Additional Tenure of Property Upload:**

**Additional Documents**

**Upload Any Additional Documents Here:**

Heritage Fund - Letters of Support.pdf

**Additional Documents:**

CIAL - FUTS for All - City Council - 2020-09-22.pdf

**Additional Documents:**

**Additional Documents:**

**Additional Documents:**

---

## Certification Form

The authorized official for your agency must sign (Type) in the spaces provided below. We no longer need a handwritten signature on these documents or a hard copy of the application. However, for the electronic signature process to work the authorized official must also be registered in eCivis with their own unique username and password.

*Check the box below each section to confirm acknowledgement*

*If your supervisor is required to sign grant documents please have your supervisor contact Parks staff at 602-542-7130 for assistance. You cannot sign (Type) on-behalf of your supervisor.*



**Certification & Authorized Signature Requirements:**

1. The certified application form can be electronically signed and dated by the individual authorized to act on behalf of the project sponsor entity / organization in conducting all official business related to the project

**EXCEPTION:**

1. **FOREST SERVICE APPLICANTS:** Per request, Forest Service staff may opt out of electronic signature and provide a hard copy signature of this form. Print this form, collect required signature from the District Supervisor and upload sign Certification Form in the space provided.
2. **BUREAU OF LAND MANAGEMENT APPLICANTS:** District/Field Manager signatures are required. BLM District/Field Managers may register in eCivis and sign this form electronically or follow the FS signature process If needed.

**I acknowledge and understand that this grant program operates on a reimbursement basis. Reimbursement occurs only after an expense is paid.**

Reimbursement Acknowledgment

**I acknowledge and understand that our agency will comply with all appropriate state and federal regulations, policies, guidelines, and requirements as they relate to the application.**

Compliance Acknowledgement

**I acknowledge and understand that our agency has the required matching funds for each reimbursement.**

Matching Funds Acknowledgment

**INSURANCE REQUIREMENTS**

PROJECT SPONSOR and sub-contractors must procure and maintain occurrence-based insurance policies that cover claims for injury or death to persons or damage to property that may arise from or in connection with the performance of the work hereunder by the PROJECT SPONSOR, its agents, representatives, employees or sub-contractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the PROJECT SPONSOR from liabilities that might arise out of the performance of the work under this contract by the PROJECT SPONSOR, its agents, representatives, employees or sub-contractors, and PROJECT SPONSOR is free to purchase additional insurance.

Minimum Scope and Limits of Insurance: PROJECT SPONSOR shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form  
Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.
  - General Aggregate ..... \$2,000,000
  - Products – Completed Operations Aggregate ..... \$1,000,000
  - Personal and Advertising Injury ..... \$1,000,000
  - Blanket Contractual Liability – Written and Oral ..... \$1,000,000
  - Fire Legal Liability ..... \$50,000
  - Each Occurrence ..... \$1,000,000

a. The policy must be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the PROJECT SPONSOR."

b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the PROJECT SPONSOR.

**I acknowledge and understand that our agency is required to provide proof of liability insurance at the time of project signature.**

Insurance Acknowledgement

**Please provide Proof of Liability Insurance here:**

Excess Policy 21-22 Flagstaff.pdf

A signature page with the following information must be signed by the Authorized Agent and uploaded below to complete this application

I hereby certify that the information in this application is true and correct and that our agency agrees to comply with all appropriate procedures, guidelines, and requirements established by Arizona State Parks & Trails.

Project Sponsor Name:

Authorized Agent:

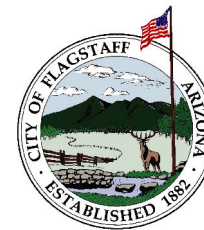
Title:

Contact Information:

Date:

**Authorized Agent Signature Page**

Cover letter - LWCF grant - Buffalo Park - 2021.pdf



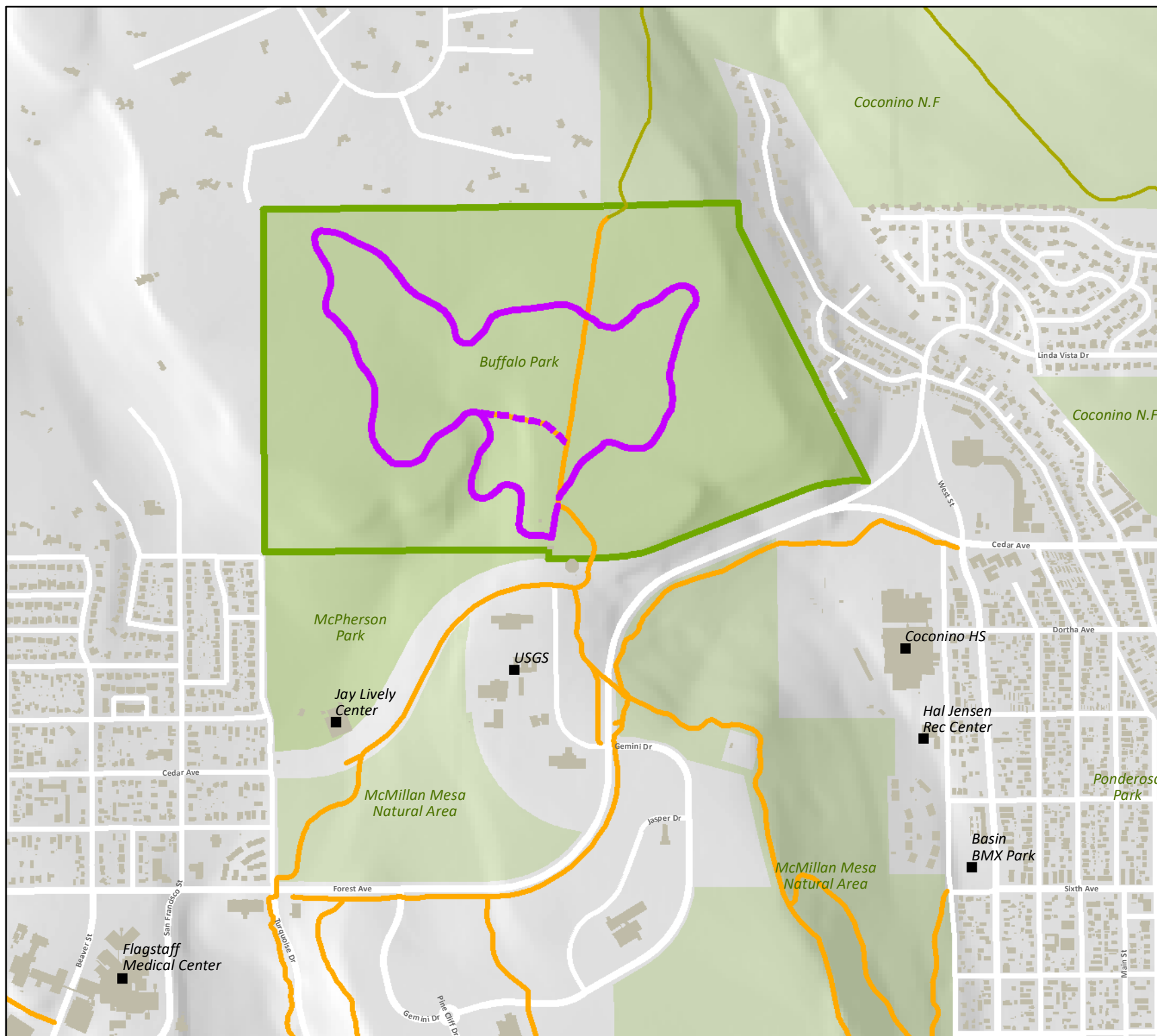
**Vicinity map**  
Buffalo Park  
Nate Avery Trail

-  Singletrack
-  Nate Avery Trail
-  Accessible cutoff
-  Existing FUTS
-  Buffalo Park



1,200  
Feet

City of Flagstaff  
November 2021





## Community map

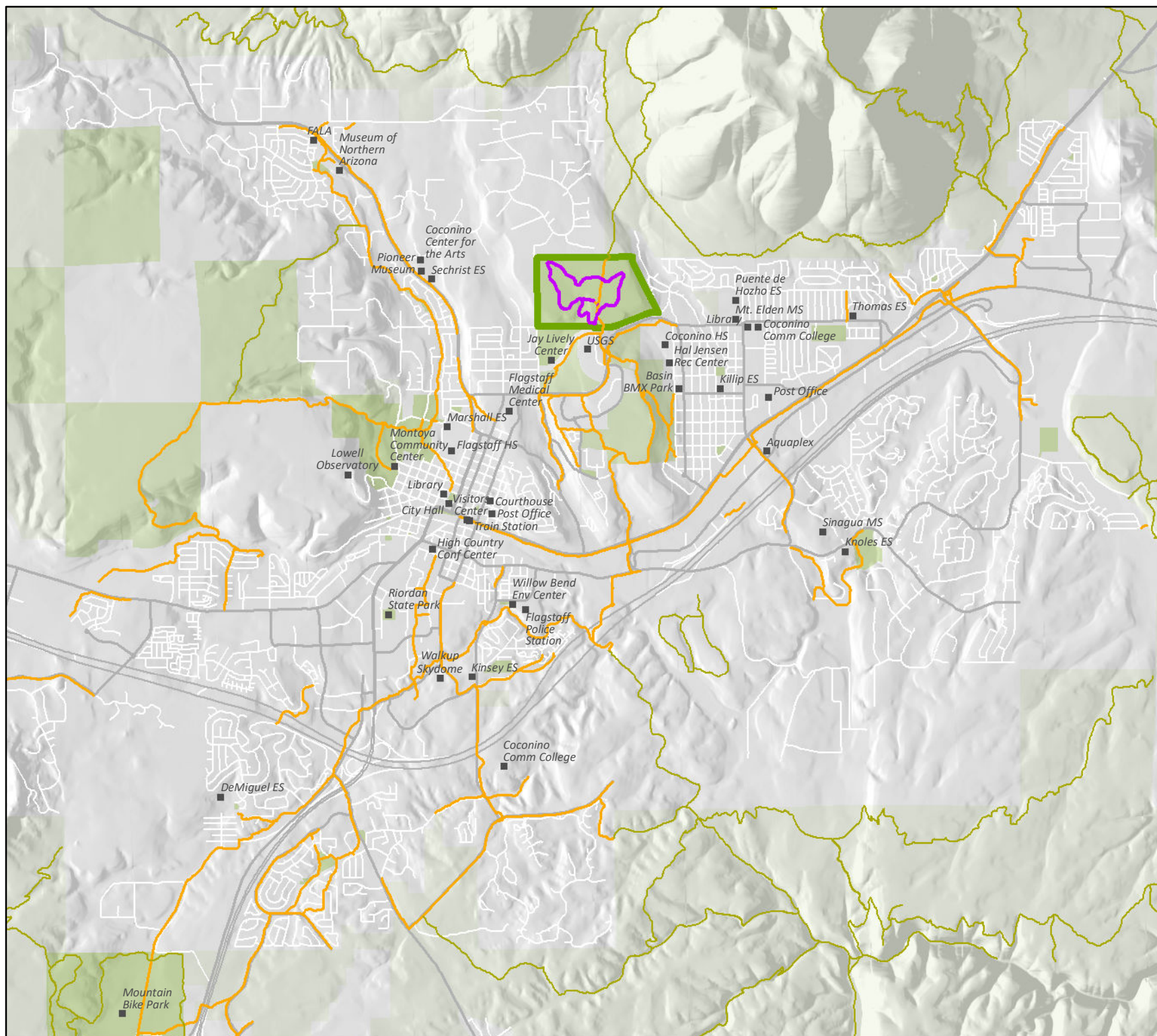
### Buffalo Park Nate Avery Trail

-  Singletrack
-  Nate Avery Trail
-  Accessible cutoff
-  Existing FUTS
-  Buffalo Park



1  
Miles

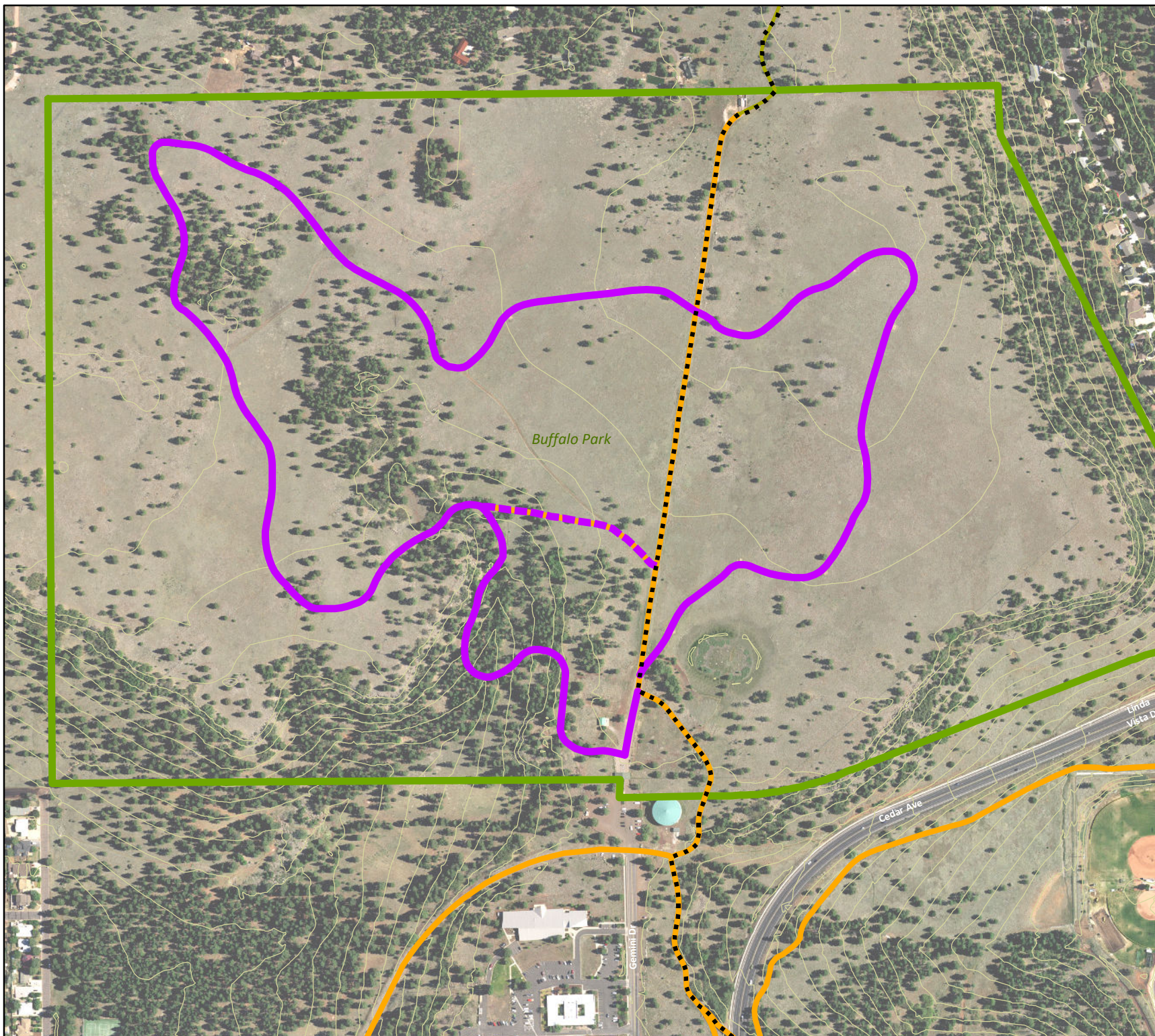
City of Flagstaff  
November 2021



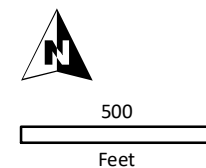




**Site map**  
Buffalo Park  
Nate Avery Trail






- Arizona Trail
- Singletrack
- Nate Avery Trail
- Accessible cutoff
- Existing FUTA
- Buffalo Park

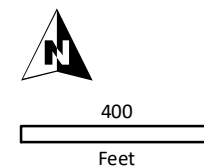






**Project components**  
Buffalo Park  
Nate Avery Trail

-  Parcourse
-  Drainage imp
-  Resurface



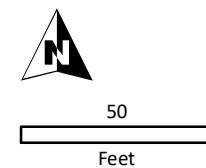
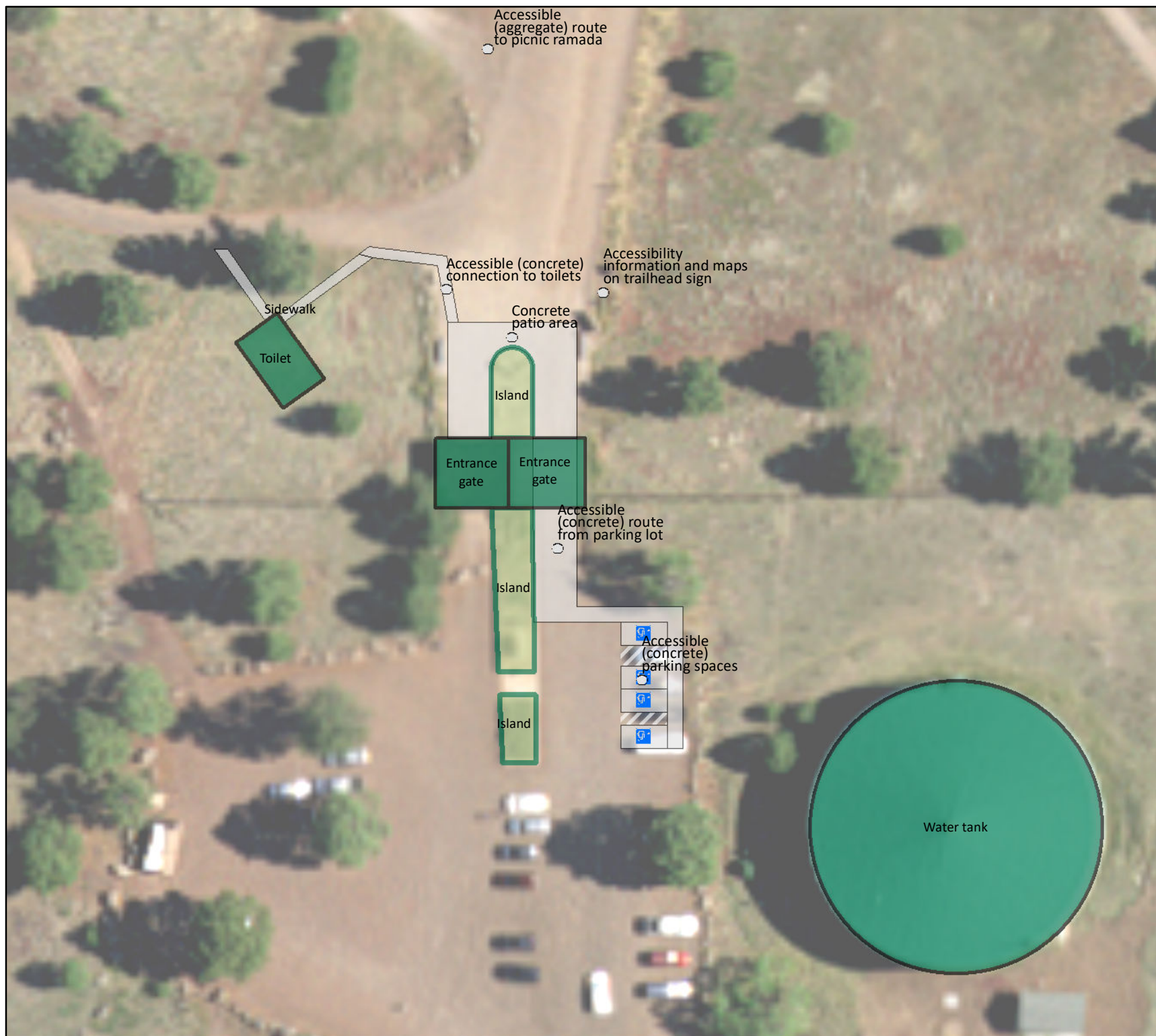
City of Flagstaff  
November 2021



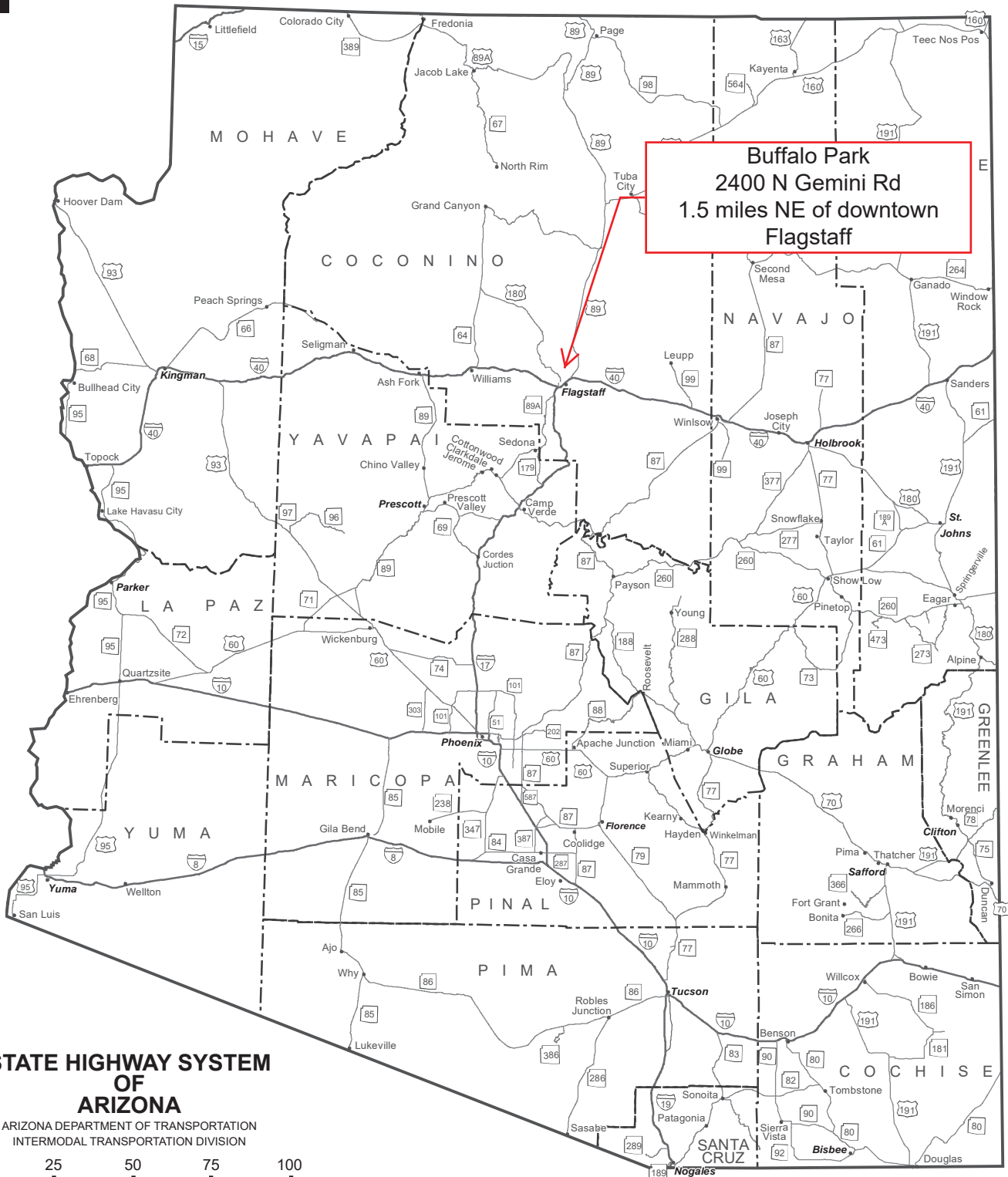




**Entry detail**  
Buffalo Park  
Nate Avery Trail



# STATE MAP



## STATE HIGHWAY SYSTEM OF ARIZONA

ARIZONA DEPARTMENT OF TRANSPORTATION  
INTERMODAL TRANSPORTATION DIVISION



PROJECT NAME Buffalo Park - Nate Avery Trail Accessibility Enhancements



PROJECT NUMBER Official Use only

TRACS NO. Official Use Only

FIGURE \_\_\_\_\_





View from Arizona Trail in Buffalo Park north to the San Francisco Peaks, Dry Lake Hills, and Mt Elden



The Nate Avery Trail is a 2-mile loop around Buffalo Park that is very popular with walkers and joggers





Buffalo Park includes open grassland as well as stands of Ponderosa pines



View north towards the Dry Lake Hills along the Arizona Trail. The trail continues north into the Coconino National Forest





There is one steep descent and ascent along the Nate Avery Trail; however it can be bypassed via an accessible cutoff



Locations along the trail where water is causing erosion will be fixed via the grant





Railroad ties at existing parcourse stations will be removed to make them accessible to wheelchair users



Parking lot and entryway. Accessible parking will be installed along the right side where vehicles are parked





Looking through the entryway back to the parking lot



View of the entryway from inside the park. New concrete at the entry will help make it more accessible. Sign kiosk is at left





The aggregate trail surface of the Nate Avery Trail is often loose and not suitable for wheelchairs



## Budget Report

Passthrough Agency: Arizona

Program: FY 21: Heritage Fund - Non-Motorized Trails Grant

Stage: Pre-Award

Report Date: 11/22/2021

Requested By: Martin Ince

[mince@flagstaffaz.gov](mailto:mince@flagstaffaz.gov)

### Budget Items

Category	Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	GL Account	Cost Share	Type
<b>Complete Environmental &amp; Cultural Clearance &amp; Compliance (10 pts)</b>										
	Cultural survey	Consultant (LS)	1	\$1,763.00	\$1,763.00	\$1,763.00	\$0.00		\$0.00	Direct Cost
	Cultural survey	Consultant (LS)	1	\$2,387.00	\$2,387.00	\$0.00	\$0.00		\$2,387.00	Cost Share
<b>Complete Environmental &amp; Cultural Clearance &amp; Compliance (10 pts) Total</b>			<b>2</b>	<b>\$4,150.00</b>	<b>\$4,150.00</b>	<b>\$1,763.00</b>	<b>\$0.00</b>		<b>\$2,387.00</b>	
<b>Maintain Existing Trails (10 pts)</b>										
	Repair drainage/install culverts	Culverts and end sections (EA)	12	\$529.19	\$6,350.00	\$6,350.00	\$0.00		\$0.00	Direct Cost
	Repair drainage/install culverts	Culverts and end sections (EA)	12	\$716.81	\$8,602.00	\$0.00	\$0.00		\$8,602.00	Cost Share
<b>Maintain Existing Trails (10 pts) Total</b>			<b>24</b>	<b>\$1,246.00</b>	<b>\$14,952.00</b>	<b>\$6,350.00</b>	<b>\$0.00</b>		<b>\$8,602.00</b>	
<b>Prevent or Restore Damage to Environmental &amp; Cultural Sites (10 pts)</b>										
	Edit & Insert Title	Edit & Insert Description	0	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	Direct Cost
<b>Prevent or Restore Damage to Environmental &amp; Cultural Sites (10 pts) Total</b>			<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		<b>\$0.00</b>	
<b>Provide Trail Signs (10 pts)</b>										
	Directional signing for accessible route	Signs (EA)	4	\$151.20	\$605.00	\$605.00	\$0.00		\$0.00	Direct Cost
	Directional signing for accessible route	Signs (EA)	4	\$204.80	\$819.00	\$0.00	\$0.00		\$819.00	Cost Share
<b>Provide Trail Signs (10 pts) Total</b>			<b>8</b>	<b>\$356.00</b>	<b>\$1,424.00</b>	<b>\$605.00</b>	<b>\$0.00</b>		<b>\$819.00</b>	
<b>Connect to Other Trails, Parks, &amp; Communities (7 pts)</b>										
	Edit & Insert Title	Edit & Insert Description	0	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	Direct Cost
<b>Connect to Other Trails, Parks, &amp; Communities (7 pts) Total</b>			<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		<b>\$0.00</b>	
<b>Develop Trails &amp; Facilities to Increase Accessibility (7 pts)</b>										
	Accessible parking spaces and route	Concrete (SF)	2617	\$7.13	\$18,665.00	\$18,665.00	\$0.00		\$0.00	Direct Cost
	Accessible parking spaces and route	Concrete (SF)	2617	\$9.66	\$25,283.00	\$0.00	\$0.00		\$25,283.00	Cost Share
	Accessible parking signs and marking	Signs (EA)	4	\$360.00	\$1,441.00	\$1,441.00	\$0.00		\$0.00	Direct Cost
	Accessible parking signs and marking	Signs (EA)	4	\$488.00	\$1,951.00	\$0.00	\$0.00		\$1,951.00	Cost Share
	Accessible patio extension/sidewalk at entrance	Concrete (SF)	1935	\$7.46	\$14,428.00	\$14,428.00	\$0.00		\$0.00	Direct Cost
	Accessible patio extension/sidewalk at entrance	Concrete (SF)	1935	\$10.10	\$19,544.00	\$0.00	\$0.00		\$19,544.00	Cost Share
	Resurface trail with new aggregate material	FUTS mix (CF)	29700	\$1.05	\$31,153.00	\$31,153.00	\$0.00		\$0.00	Direct Cost
	Resurface trail with new aggregate material	FUTS mix (CF)	29700	\$1.42	\$42,197.00	\$0.00	\$0.00		\$42,197.00	Cost Share
<b>Develop Trails &amp; Facilities to Increase Accessibility (7 pts) Total</b>			<b>68512</b>	<b>\$884.82</b>	<b>\$154,662.00</b>	<b>\$65,687.00</b>	<b>\$0.00</b>		<b>\$88,975.00</b>	

<b>Enforce Existing Rules &amp; Regulations (7 pts)</b>										
	Edit & Insert Title	Edit & Insert Description	0	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	Direct Cost
<b>Enforce Existing Rules &amp; Regulations (7 pts) Total</b>			<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		<b>\$0.00</b>	
<b>Promote Safe &amp; Responsible Recreation (7 pts)</b>										
	Edit & Insert Title	Edit & Insert Description	0	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	Direct Cost
<b>Promote Safe &amp; Responsible Recreation (7 pts) Total</b>			<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		<b>\$0.00</b>	
<b>Provide Facilities Near Trails (7 pts)</b>										
	New accessible fitness stations	Stations (EA)	6	\$2,293.00	\$13,761.00	\$13,761.00	\$0.00		\$0.00	Direct Cost
	New accessible fitness stations	Stations (EA)	6	\$3,107.00	\$18,639.00	\$0.00	\$0.00		\$18,639.00	Cost Share
	Replace RR ties, grade surface at exercise stations	Stations (EA)	18	\$264.00	\$4,760.00	\$4,760.00	\$0.00		\$0.00	Direct Cost
	Replace RR ties, grade surface at exercise stations	Stations (EA)	18	\$358.00	\$6,448.00	\$0.00	\$0.00		\$6,448.00	Cost Share
<b>Provide Facilities Near Trails (7 pts) Total</b>			<b>48</b>	<b>\$6,022.00</b>	<b>\$43,608.00</b>	<b>\$18,521.00</b>	<b>\$0.00</b>		<b>\$25,087.00</b>	
<b>Provide Trail Maps &amp; Information (7 pts)</b>										
	Trailhead information and map	Signs (EA)	1	\$367.00	\$367.00	\$367.00	\$0.00		\$0.00	Direct Cost
	Trailhead information and map	Signs (EA)	1	\$497.00	\$497.00	\$0.00	\$0.00		\$497.00	Cost Share
<b>Provide Trail Maps &amp; Information (7 pts) Total</b>			<b>2</b>	<b>\$864.00</b>	<b>\$864.00</b>	<b>\$367.00</b>	<b>\$0.00</b>		<b>\$497.00</b>	
<b>Construct New Trails (4 pts)</b>										
	Edit & Insert Title	Edit & Insert Description	0	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	Direct Cost
<b>Construct New Trails (4 pts) Total</b>			<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		<b>\$0.00</b>	
<b>Obtain Land for Trails &amp; Trail Access (4 pts)</b>										
	Edit & Insert Title	Edit & Insert Description	0	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	Direct Cost
<b>Obtain Land for Trails &amp; Trail Access (4 pts) Total</b>			<b>0</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		<b>\$0.00</b>	
<b>Other</b>										
<b>Category</b>	<b>Title</b>	<b>Description</b>	<b>Units</b>	<b>Unit Cost</b>	<b>Extended Cost</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>GL Account</b>	<b>Cost Share</b>	<b>Type</b>
<b>Other</b>										
	Design	Engineering consultant (LS)	1	\$6,707.00	\$6,707.00	\$6,707.00	\$0.00		\$0.00	Direct Cost
	Design	Engineering consultant (LS)	1	\$9,086.00	\$9,086.00	\$0.00	\$0.00		\$9,086.00	Cost Share
<b>Other Total</b>			<b>2</b>	<b>\$15,793.00</b>	<b>\$15,793.00</b>	<b>\$6,707.00</b>	<b>\$0.00</b>		<b>\$9,086.00</b>	
<b>Grant Total</b>			<b>68598</b>	<b>\$29,315.82</b>	<b>\$235,453.00</b>	<b>\$100,000.00</b>	<b>\$0.00</b>		<b>\$135,453.00</b>	





# City of Flagstaff

October 22, 2021

Arizona State Parks and Trails  
Mickey Rogers, Chief of Grants and Trails  
23751 North 23rd Avenue, Suite 190  
Phoenix, Arizona 85085

Dear Mr. Rogers,

The City of Flagstaff's Commission on Inclusion and Adaptive Living (CIAL) is writing to express its support for the City's application to Arizona State Parks and Trails for a Land and Water Conservation Fund (LWCF) grant to fund a series of accessibility enhancements for Buffalo Park and the Nate Avery Trail.

This project was initiated as a direct result of an accessibility audit of the FUTS system conducted by members of the CIAL, and the commission has subsequently worked closely with City staff on project planning and development. The proposed modifications address accessibility issues identified in the audit and will greatly expand access to the park and trail for members of our community who are differently abled.

The CIAL consists of seven citizen volunteers who have been appointed by the City Council to serve the disabled community and advise on all issues affecting individuals who are differently abled. The commission's goals are to expand educational opportunities, improve access to housing, buildings, and transportation, have greater participation in recreational, social, and cultural activities, and encourage greater opportunity for employment and expand and strengthen rehabilitative programs and facilities.

We are excited to see this important project move forward. Thank you for the opportunity to express our support.

Sincerely,

*Jamie Martinez*

Jamie Martinez, Chair  
Commission on Inclusion and Adaptive Living

211 West Aspen Avenue  
Flagstaff, Arizona 86001  
(928) 774-5281



Northern Arizona Adaptive Sports Association  
P.O. Box 1903  
Flagstaff, AZ 86004  
928-266-2494

October 13, 2021

Martin Ince  
Multimodal Transportation Planner  
City of Flagstaff  
211 West Aspen Avenue  
Flagstaff, AZ 86001

Re: Letter of Commitment  
Buffalo Park/Nate Avery FUTS Trail Accessibility Enhancements

Dear Mr. Ince,

I am pleased to write this Letter of Support on behalf of the Northern Arizona Adaptive Sports Association (NAASA) with regards to your grant proposal to make Buffalo park more accessible for all people in our community. Your proposal, Buffalo Park/Nate Avery FUTS Trail Accessibility Enhancements will help to improve accessible community approaches and commitment to the health and wellbeing of people with disabilities.

NAASA provides accessible recreation for people of all abilities in our community and utilizes Buffalo Park three times a week to provide outdoor hiking excursions to people with intellectual, developmental and physical disabilities. The proposal directly supports our mission: Enriching lives through adaptive recreation. Successful completion of this project will make our community more inclusive and will have a positive impact on people living with and touched by disability. We wish you well in the process of your proposal and are committed to helping in any way you need.

Respectfully,



Alexander Davenport  
Founder



# City of Flagstaff

14 October 2021

Mickey Rogers, Chief of Grants and Trails  
Arizona State Parks and Trails  
23751 North 23rd Ave, Suite 190  
Phoenix, Arizona 85085

Mr. Rogers,

At its regular meeting of April 8, 2021, the City of Flagstaff's Pedestrian Advisory Committee approved a motion to submit a letter in support of the City's application to Arizona State Parks and Trails for a Heritage Fund Trails Program grant.

This grant will fund a variety of accessibility enhancements for Buffalo Park and the Nate Avery Trail. The Pedestrian Advisory Committee supports the project because it will enable more of the community to use the trail and access the park and natural area.

Because Buffalo Park and the Nate Avery Trail are centerpieces in Flagstaff's parks and urban trails system, making them more universally accessible is an important step in our efforts to be more inclusive.

Thank you for the opportunity to express our support.

Sincerely,

Brandon Cruickshank  
Chair, Pedestrian Advisory Committee



## CITY OF FLAGSTAFF

To whom it may concern,

The Flagstaff Parks & Recreation Commission is happy to provide this letter of support for Parks & Recreation Department for the Land & Water Conservation Fund. The Flagstaff Parks and Recreation Commission consists of seven citizens, and makes recommendations to the Council regarding City parks and recreational programs, the annual budget and capital improvements for the Parks and Recreation Divisions. The Commission works to ensure accountability, voice and advocate on behalf of the public in regards to City Parks & Recreation.

The Flagstaff Parks & Recreation Department is renowned throughout Arizona for its high elevation training, beautiful scenic views and quality recreation opportunities for all seasons. The departments mission is to enhance the Flagstaff community through people, parks and programs. Recreation Services is dedicated to providing people with and without physical and mental challenges the opportunity to participate in recreation and leisure programs.

Funds generated through this grant will continue to support Flagstaff recreation for all citizens; really shining the light on inclusivity. The entire project would enable the City to designate Buffalo Park as 100% accessible creating a host of new visitors within and outside of the community.

Thank you for your time and consideration. Feel free to contact us with any questions by email.

Sincerely,

The Flagstaff Parks & Recreation Commission

November 4, 2021

Arizona State Parks and Trails  
Mickey Rogers, Chief of Grants and Trails  
23751 North 23rd Avenue, Suite 190  
Phoenix, Arizona 85085

Dear Mr. Rogers,

The Board of Directors of the Flagstaff Trails Initiative (FTI) wishes to express its support for the City of Flagstaff's grant application to Arizona State Parks for accessibility enhancements to Buffalo Park and the Nate Avery Flagstaff Urban Trail System Trail.

The [Flagstaff Regional Trails Strategy](#), which was prepared by FTI in 2020 following an extensive public process, acknowledges the need to provide a diversity of trail experiences for all users. A [community survey](#) conducted as part of the planning process indicates that options for users with mobility limitations were rated as the least adequate aspect of trails in the Flagstaff area. The trails strategy recommends providing a range of trail experiences and addressing gaps in the current system, including mobility-impaired and accessible trails. The proposed project at Buffalo Park will help further this goal and promote accessibility for all.

The [Flagstaff Trails Initiative](#) is a 501c3 trail-centric non-profit whose mission is to elevate trails in and around Flagstaff from good to extraordinary. The purpose of FTI is to develop and implement a collaborative, cross-jurisdictional strategy for recreational trails in the Flagstaff region of Coconino County, Arizona that will improve upon the old trail system to create an extraordinary trail network for the community.

Thank you for the opportunity to provide comments.

Sincerely,

A handwritten signature in black ink that reads "JUSTIN INGLIS". The signature is written in a cursive, flowing style with capital letters.

Justin Inglis  
Interim Coordinator

**CITY OF FLAGSTAFF  
STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Stacy Saltzburg, City Clerk  
**Date:** 12/08/2021  
**Meeting Date:** 12/28/2021



---

**TITLE:**

**Consideration and Adoption of Resolution No. 2021-61:** A resolution adopting the City Council 2022 Commemorative Flag Designations

**STAFF RECOMMENDED ACTION:**

- 1) Read Resolution No. 2021-61 by title only
- 2) City Clerk reads Resolution No. 2021-61 by title only (if approved above)
- 3) Adopt Resolution No. 2021-61

**Executive Summary:**

The City Council has declared that the City's flagpoles (permanent or temporary) are not intended to serve as a forum for free expression of the public, but rather for the display of Federal, State, the POW-MIA Flag, the City Flag, and a maximum of two commemorative flags per month. The City Council may display on a temporary pole one commemorative flag per month, but in no event would they display more than two commemorative flags per month (to be displayed separately - the first commemorative flag for the first half of the month, and the second commemorative flag for the second half of the month), for the ensuing year as determined by the City Council. Authorization by the City Council to display commemorative flags under such a policy may occur in one annual resolution only of the City Council, to be considered and potentially adopted in December of each year as an expression of the City's official sentiments.

There were three recommendations to maintain the same flag designations as 2021 and one recommendation to add the Purple Heart Flag for the 1<sup>st</sup> half of August.

**Financial Impact:**

None

**Policy Impact:**

The City has a flag policy under which the City Council may designate commemorative flags to be displayed.

**Connection to PBB Priorities/Objectives, Carbon Neutrality Plan & Regional Plan:**

None

**Has There Been Previous Council Decision on This:**

On November 19, 2019 the City Council adopted Resolution No. 2019-59 declaring that the City's flagpoles are not intended to serve as a forum for free expression of the public, but rather for the display of Federal, State, the POW-MIA Flag, the City Flag, and a maximum of two commemorative flags per month.

---

**Attachments:**     Res. 2021-61

**RESOLUTION NO. 2021-61**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF  
(PURSUANT TO THE CITY COUNCIL POLICY ON THE DISPLAY OF FLAGS)  
DESIGNATING ALL COMMEMORATIVE FLAGS THAT WILL BE DISPLAYED  
THROUGHOUT THE YEAR 2022 ON THE TEMPORARY POLE IN FRONT OF  
CITY HALL**

**RECITALS:**

WHEREAS, City Council established the City Council Policy for the Display of Flags (City Flag Policy) under Resolution 2019-59, adopted on November 19, 2019; and

WHEREAS, the City Flag Policy is that City flagpoles do not serve as a forum for free expression by the public, but rather for the display of federal, state, POW-MIA, and City flags, and any commemorative flags as may be authorized by the City Council as an expression of the City Council's official sentiments; and

WHEREAS, pursuant to the City Flag Policy, the City Council may designate in December of each year all commemorative flags to be displayed on the temporary pole in front of City Hall during the subsequent year; and

WHEREAS, City Council now desires to designate all commemorative flags to be displayed on the temporary pole in front of City Hall during the year 2022.

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

SECTION 1. All commemorative flags to be displayed under the City Flag Policy shall be displayed in accordance with the schedule designated in Exhibit A which is attached hereto.

SECTION 2. This Resolution shall be effective upon adoption by the City Council.

SECTION 2. The City Manager and City Clerk are authorized and directed to edit and correct typographical and grammatical errors of wording and punctuation.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this 28th day of December, 2021.

---

MAYOR



ATTEST:

---

CITY CLERK

APPROVED AS TO FORM:














---

CITY ATTORNEY

EXHIBITS

2022 COMMEMORATIVE FLAG SCHEDULE ESTABLISHED BY CITY COUNCIL

2022 COMMEMORATIVE FLAG SCHEDULE ESTABLISHED BY CITY COUNCIL

Month	Commemorative Flag(s)	
January	High-Tech Month	
February	Black History Month	
March	Women's History Month March 1 – 17, 2022  Transgender Visibility March 17 – 31, 2022	 
April	Earth Day	
May	Armed Forces Day May 18, 2022	
June	LGBTQIA+ Month	
July	None	
August	Purple Heart Day August 1 – 15, 2022	
September	United Nations Climate Change September 1 – 15, 2022  Hispanic Heritage Month September 16 – 30, 2022	 
October	National Domestic Violence Awareness Month	
November	Native American Heritage Month	
December	World AIDS Day December 1, 2022	

## CITY OF FLAGSTAFF STAFF SUMMARY REPORT

**To:** The Honorable Mayor and Council  
**From:** Sarah Langley, Management Analyst  
**Date:** 12/20/2021  
**Meeting Date:** 12/28/2021



---

**TITLE:**

**Flood Project Updates**

**STAFF RECOMMENDED ACTION:**

For information only.

**Executive Summary:**

Staff will provide the Council and the public with an update on flood mitigation efforts in the Museum Flood Area, including the Flooding Feasibility Alternative Analysis, the Drainage Master Planning effort, on-forest mitigation work, the Dortha Inlet and Channel, the Killip Regional Detention System, South Mount Elden Flood Mitigation and the communications strategy moving forward.

**Financial Impact:**

None.

**Policy Impact:**

None.

**Connection to PBB Key Community Priorities/Objectives & Regional Plan:**

Flood mitigation initiatives support the PBB Priorities of Livable Community, Sustainable Innovative Infrastructure and Safe and Healthy Community.

**Previous Council Decision on This:**

Council heard a Museum Flood update on November 23, 2021. Council also approved an ordinance authorizing the acquisition of drainage easements, temporary construction easements and any other necessary property rights for drainage and flood control improvement to the Spruce Avenue Wash on December 7, 2021.

---

**Attachments:** [Presentation](#)



# Flood Mitigation Updates

December 28, 2021







# Outline



- Background of 2021 flood events
- Mitigation update
- Budget
- Communications
- Discussion







# Background

- First real monsoon season since the Museum Fire
  - Last two summers were record dry leading to a sense of complacency
  - Four large flood events validated the original post-fire hydrology model from 2019
  - The community faces a very real repetitive flood threat downstream of the fire
- A rare 200-year flood on the south side of Mount Elden
  - This extreme event has incised mountain slope channels
  - Flood risk has increased compared to historical risk
  - Known issues (upper and lower Fanning Wash) are now at greater risk



August flooding in Sunnyside downstream of the Museum Fire scar



July flooding in Shadow Mountain downstream of Mount Elden

Event	Incident Period
SD2201 (Event 1)	July 13-16, 2021
SD2202 (Event 2)	July 22-24, 2021
SD2206 (Event 3)	August 17, 2021

Damaged Fanning Wash channel at Bushmaster Park



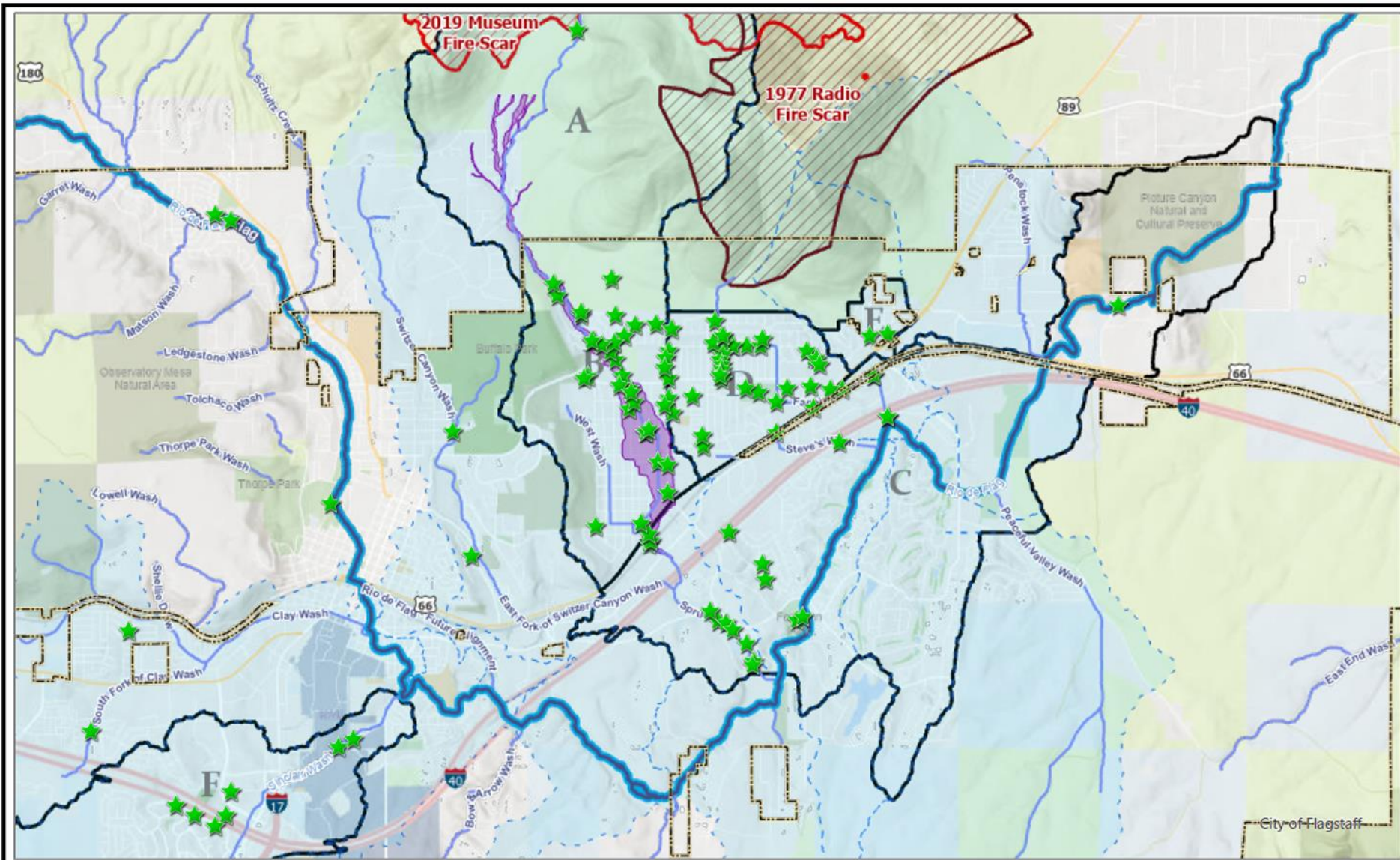




# Impacts are community wide

Green stars symbolize public damages only.

Private damages are not pictured on this map.



## 2021 Monsoon Flood Damage Assessment



City of Flagstaff maps and data are updated on a regular basis from data obtained from various sources. The City of Flagstaff endeavors to provide accurate information, but accuracy is not guaranteed. You are strongly encouraged to obtain any information you need for a business or legal transaction from a surveyor, engineer, title company, or other licensed professional as appropriate. Information is provided subject to the express condition that you knowingly waive any and all claims for damages against the City of Flagstaff relating to use of this information.



8/13/2021 7:54 AM





# Mitigation Plan Updates

## Flooding Feasibility Alternative Analysis

- Contracted with Peak Engineering
- Feasibility of mitigation alternatives
- Preliminary design of highest-ranking alternatives
- Weekly Museum Technical Advisory and focus group meetings
- Focused efforts in tandem with projects







# Mitigation Plan Updates

## Drainage Master Planning

- Coordinating with Flood Control District and their consultant (JE Fuller) on drainage master plan and hydrologic model for Spruce Wash (Museum Fire drainage)
- Completed aerial and lidar survey of affected area, data deliverables in January
- Water Services update of stormwater infrastructure GIS for master plan and comprehensive model.





# Mitigation Updates

## USFS Representatives Visit

- Federal funding for watershed restoration
  - Significantly reduce large amounts of sediment
  - Mitigation efforts are ineffective when fill up with sediment
- Chief's \$3.5 million pledge
- **Design work is on-going at the County and Federal level**

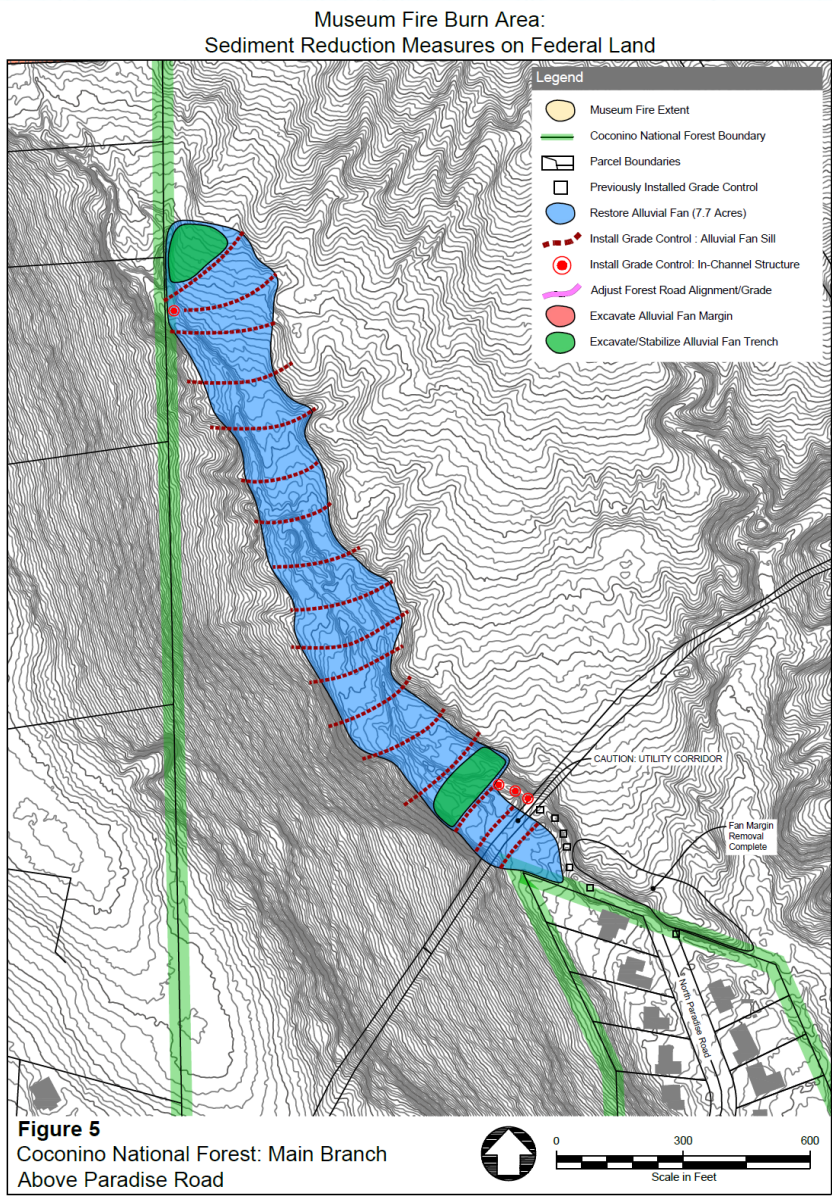
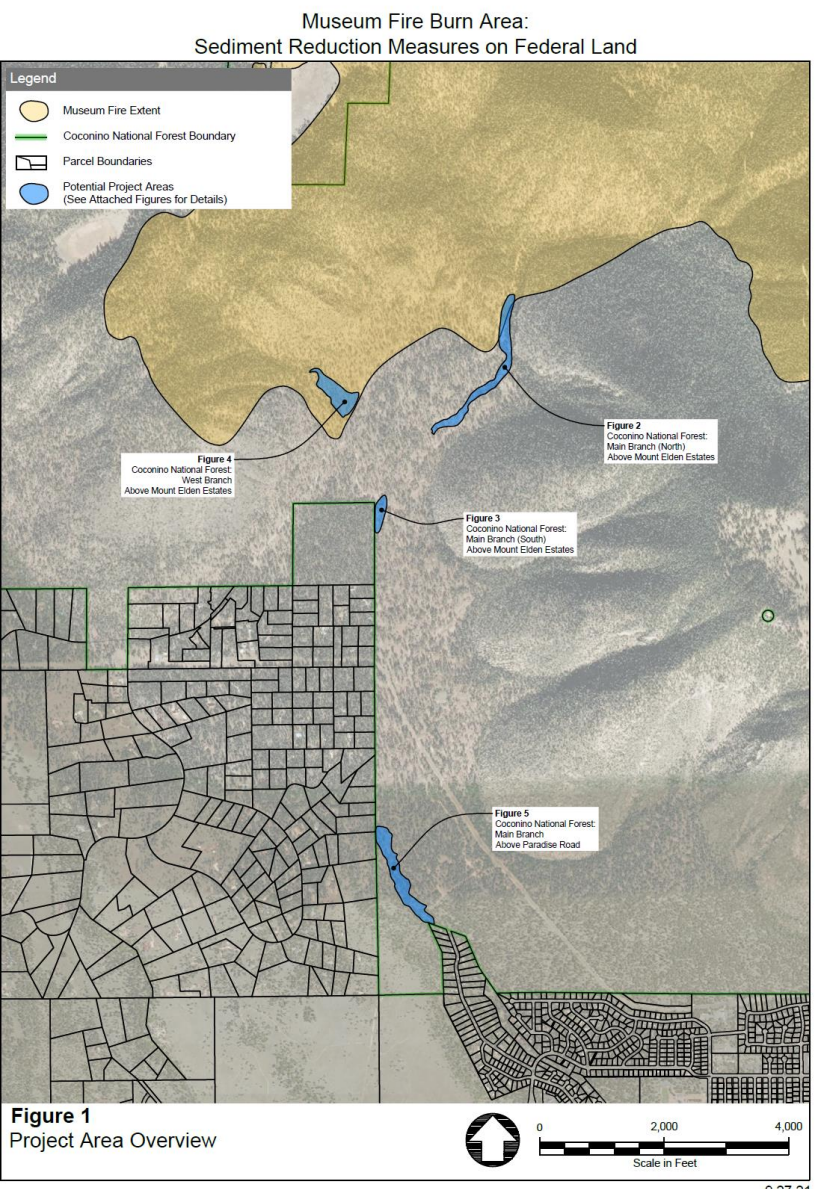




# Mitigation Updates - Forest



Managed by  
County, work  
expected this  
spring







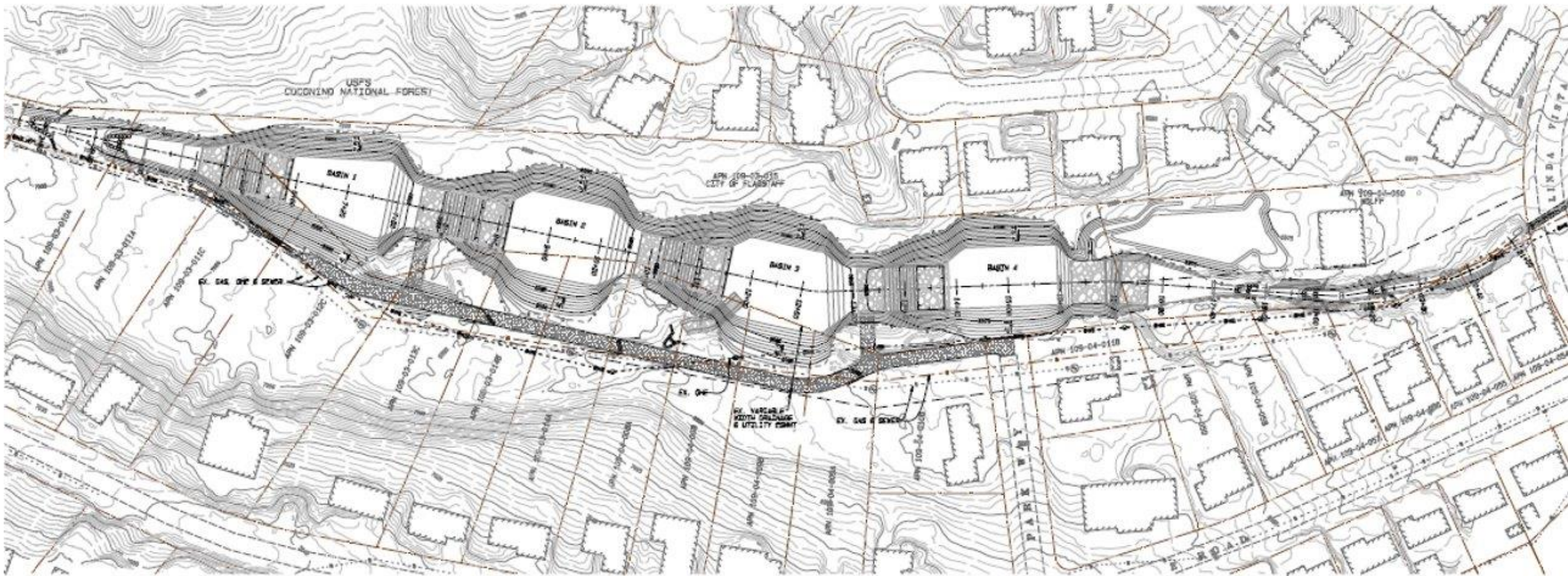
# Mitigation Updates

## Natural Resources Conservation Service (NRCS)

- \$3 million of federal funds
- Two land parcels
- 40 acres above Mt. Elden Estates
- 3.6 acres behind Paradise and Park Way
- Flood Control District Match of 25%



# City Parcel Concept Design







# Mitigation Plan Updates

## Dortha Inlet & Channel

- City funded
- Purpose is to reduce flood risk in upper Sunnyside by providing additional channel capacity.
- Current design: 12' bottom, shot-crete channel with 12x7' box culvert at Dortha.
- Delivered by COF Capital Improvements.
- Property acquisition and easement needed, research and outreach underway.
  - Council approved an ordinance for acquisition
- On schedule for completion by monsoons 2022, challenging deadline with utilities and property.



# Mitigation Plan Updates

## Killip Regional Detention Basin

- City portion: \$1.736 M for basins, \$1.225 M for outlet structure
- IGA with FUSD- Consideration by elected in Early January
- Design complete, CORE Construction and FUSD will deliver
- Underground stormwater infrastructure design for conveyance from basin to existing storm water system
- Engineering Teams are now focused on inlet structure through Ponderosa Park.



# Mitigation Planning

## South Mount Elden Flood Mitigation

- Fanning Wash cleanup is ongoing
  - Upper channel has been cleared
  - Lower channel has been cleared at Rt. 66 but substantial repairs are still underway near Bushmaster Park.
- Shadow Mountain flood mitigation
  - Property acquisition discussion ongoing
  - Conceptual plan being reviewed





# Funding of Mitigation

## Sediment reduction is a critical prerequisite to the functioning of existing infrastructure and future expansion

- \$3.5 million provided by Forest Service for on-forest sediment mitigation.
- \$3 million provided by NRCS to the County for private sediment mitigation.
- \$3 million City-funded for Killip Detention System
- City has applied for FEMA HMGP and BRIC grants, highly competitive with 1 or 2 years of lead time.
- Existing Stormwater rate structure allows for ~\$1M a year for city-wide capital improvements. A change in the rate structure will be evaluated in 2022 to address needs.
- Bond election may include flood projects but is at least a year out.



# Communications Strategy

City Public Affairs Office  
in collaboration with  
local public engagement  
firm



## Outreach channels

- Stakeholder database development
- Email address creation & maintenance
- Communications strategy meetings with neighborhoods
- Website creation and maintenance
- eNewsletters
- Update fliers (mail and door-to-door)
- Social media/ press releases
- Video production
- Translation and interpretation
- Updates at Council work sessions

## Timeline

- Begin early 2022

# Council Discussion





## **CITY OF FLAGSTAFF**

### **STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Sterling Solomon, City Attorney  
**Date:** 12/23/2021  
**Meeting Date:** 12/28/2021



---

#### **TITLE:**

**Discussion only of Potential City Council Code of Conduct and Ethics Policy**

#### **STAFF RECOMMENDED ACTION:**

Discussion only.

#### **Executive Summary:**

In consideration of possible options for a potential Flagstaff City Council code of conduct and ethics policy, the City Council requested the opportunity to review codes of conduct and ethics policies used by other cities and towns, several of which have been included with this agenda item. These examples from other cities and towns are not necessarily suggested or recommended by city staff, nor by any specific members of City Council, but are merely included for discussion purposes only. Even so, portions of these examples may be considered by City Council as a good fit for the City of Flagstaff which will be for the City Council to determine.

Many of the samples and examples included with this item are all-inclusive with specific state laws on conflicts of interest, gifts, etc., while other samples and examples are more general in nature which also include boards and commissions. There is no "one size fits all" code of conduct or ethics policy that is best, and whatever the City Council considers will ultimately need to be tailored to what the City Council believes will work best in the City of Flagstaff.

City Council may choose to explore any of these examples as options for the City of Flagstaff. It should be noted that each of the examples contains procedures which place enforcement obligations upon the Council itself, or upon an independent third-party mediator/committee or commission. Whatever is ultimately considered by Council it is not recommended that enforcement be placed on any one member of city staff, or group of city staff.

Finally, what is anticipated for this agenda item is discussion only. If City Council wishes to give direction for further development of a code or policy related to conduct and ethics, staff will take such direction.

#### **Financial Impact:**

None.

#### **Policy Impact:**

Currently no code of conduct or ethic policy for City Council exists.

**Connection to PBB Key Community Priorities/Objectives & Regional Plan:**

None.

**Previous Council Decision on This:**

City Council already operates under the City of Flagstaff City Council Rules of Procedure (Rules of Procedure) which contain specific rules on the order and decorum of City Council meetings and aspects of Council conduct. The Rules of Procedure are regularly amended and updated, which occurred as recently as August, 2021.

If City Council gives direction to continue toward adoption of a code of conduct and/or ethics policy, it will likely be recommended as a stand-alone document, separate from, yet referenced in the Rules of Procedure.

---

**Attachments:**    [Glendale](#)  
                          [City of Maricopa](#)  
                          [Mesa](#)  
                          [Phoenix](#)  
                          [Scottsdale](#)  
                          [Tucson](#)



**STANDARDS FOR CONDUCTING  
CITY BUSINESS  
FOR ELECTED OFFICIALS  
AND  
BOARDS AND COMMISSIONS**

Adopted by Resolutions 4209 & 4210, November 25, 2008

## Table of Contents

<b>General Background .....</b>	<b>3</b>
<b>Roles and Responsibilities of Elected Officials.....</b>	<b>3</b>
<b>Code of Conduct for Elected Officials .....</b>	<b>5</b>
Section 1 - Council Conduct with One Another .....	5
Section 2 - Council Conduct with City Staff.....	5
Section 3 - Council Conduct with The Public .....	7
Section 4 - Council Conduct with Other Public Agencies.....	8
Section 5 - Council Conduct with Boards and Commissions .....	9
Section 6 - Council Conduct with the Media.....	10
Section 7 – Sanctions & Violations.....	10
<b>Code of Ethics for Elected Officials and Boards and Commissions .....</b>	<b>12</b>
Preamble.....	12
Section 1 – Keep the Public Interest Paramount.....	12
Section 2 – Comply with the Law .....	12
Section 3 – Conduct of Members .....	12
Section 4 – Respect for Process .....	12
Section 5 – Conduct of Public Meetings.....	13
Section 6 – Decisions Based on Merit.....	13
Section 7 – Communication .....	13
Section 8 – Conflict of Interest .....	13
Section 9 – Gifts and Favors .....	13
Section 10 – Confidential Information .....	13
Section 11 – Use of Public Resources .....	13
Section 12 – Representation of Private Interests .....	14
Section 13 – Advocacy.....	14
Section 14 – Policy Role of Members .....	14
Section 15 – Independence of Boards and Commissions.....	14
Section 16 – Positive Work Place Environment .....	14
Section 17 – Implementation.....	14
Section 18 – Compliance and Enforcement Procedures.....	14



## **General Background**

The City Charter, adopted in 1957, establishes a Council-Manager form of government. Subject to the limitations imposed by the State Constitution and so long as consistent with State law, all powers of the City are vested in the elected City Council. The City Council, which is comprised of six Councilmembers and the Mayor, enacts local legislation, adopts budgets, determines policies, and appoints the City Manager, City Clerk, City Attorney, City Treasurer and City Judge.

The Council shall consist of a mayor and six (6) other members to be elected by the qualified electors of the City of Glendale as follows:

- a. The Mayor shall be elected from the City at large, pursuant to the election procedure (primary and general elections) specified in ordinances which are adopted according to law or as provided for under the City of Glendale Charter.
- b. The six (6) other Councilmembers shall be elected from six (6) geographic districts within the City of Glendale. Each district shall contain a substantially equal number of electors. Electors in each district shall vote only for the Council candidates nominated from the district in which the electors reside.
- c. Each candidate for one of the six (6) Council seats shall at the time of nomination and during his tenure maintain his permanent residence within the district from which he is nominated.
- d. No candidate for the six (6) Council seats may run for more than one district in any regular election.

The City Council is committed to ensuring active public participation in their decision-making processes:

- a. Through the appointment of citizens to the City's advisory boards and commissions.
- b. Through special assignment of citizens to issue-oriented task forces such as the Bond Committee.
- c. By hosting or attending neighborhood meetings and events.
- d. By sponsoring regional and community forums on such topics as youth, transportation, economic development and parks.
- e. Through the actions of Citizen Participation Plans in accordance with City ordinances section 3.304 and 3.305.

## **Roles and Responsibilities of Elected Officials**

NOTE: For the purpose of the Code of Ethics and Code of Conduct, the term Councilmember refers to Mayor and Council; all members of the City Council.

### **THE MAYOR**

The Mayor shall be the chairman of the Council and preside over its deliberations. He or she may make and second motions and shall have a voice and vote in all its proceedings. He or she shall be recognized as head of the City government for all ceremonial purposes and by the governor for purposes of military law but shall have no regular administrative

duties.

## **THE VICE MAYOR**

The Council shall designate one (1) of its members as Vice Mayor, who shall serve in such capacity at the pleasure of the Council. The Vice Mayor shall perform the duties of the Mayor during the Mayor's absence or disability.

## **THE COUNCILMEMBERS**

All powers of the City, not in conflict with the constitution and subject to the limitations of the Charter, shall be vested in the Council, who shall enact appropriate legislation and do and perform any and all acts and things which may be necessary and proper to carry out these powers or any of the provisions of the Charter.

# **Code of Conduct for Elected Officials**

This Code of Conduct is designed to describe the manner in which Councilmembers should treat one another, City staff, constituents, and others they come into contact with in representing the City of Glendale.

The constant and consistent theme through all of the conduct guidelines is "respect." Elected officials are called upon to exhibit behavior consistent with the Code of Conduct and Code of Ethics at all times.

## **Section 1 - Council Conduct with One Another**

### **A. Use formal titles**

The Council should refer to one another formally during public meetings as Mayor, Vice Mayor or Councilmember followed by the individual's last name.

### **B. Use civility and decorum in discussions and debate**

Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of free democracy in action. This does not allow, however, Councilmembers to make belligerent, personal, impertinent, slanderous, threatening, abusive, or personally disparaging comments in public meetings or during individual encounters. No shouting or physical actions that could be construed as threatening or demeaning will be acceptable.

If a Councilmember is personally offended by the remarks of another Councilmember, the offended Councilmember should make notes of the actual words used and call for a "point of personal privilege" that challenges the other Councilmember to justify or apologize for the language used.

### **C. Honor the role of the Chair in maintaining order**

It is the responsibility of the Mayor, as Chair of the Council under the Charter, to keep the comments of Councilmembers on track during public meetings. Councilmembers should honor efforts by the Mayor to focus discussion on current agenda items. If there is disagreement about the agenda or the Mayor's actions, those objections should be voiced politely and with reason, following commonly recognized parliamentary procedure.

### **D. Demonstrate effective problem-solving approaches**

Councilmembers have a public forum to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole. This public forum should be used in the most effective and beneficial manner.

## **Section 2 - Council Conduct with City Staff**

### **A. Treat all staff as professionals**

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable. Councilmembers

should refer to staff by their title followed by the individual's last name in public meetings when first introduced.

**B. Limit contact to specific City staff**

Questions of City staff and/or requests for additional background information shall be directed to the City Manager, City Attorney, Assistant City Manager, Deputy City Managers, or Department Heads.

Requests for follow-up or directions to staff should be made only through the City Manager or the City Attorney when appropriate. When in doubt about what staff contact is appropriate, Councilmembers should ask the City Manager for direction. Materials supplied to a Councilmember in response to a request will be made available to all members of the Council so that all have equal access to information.

**C. Do not disrupt City staff from their jobs**

Councilmembers should not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met.

**D. Never publicly criticize an individual employee**

Council should never express concerns about the performance of a City employee in public, to the employee directly, or to the employee's manager. Comments about staff performance should only be made to the City Manager through private correspondence or conversation. Comments about staff in the office of the appointed officials should be made directly to appointed official.

**E. Do not get involved in administrative functions**

Except as otherwise provided in this Charter, neither the Council nor any of its members shall interfere with the execution by the City Manager of his powers and duties, or order, directly or indirectly, the appointment by the City Manager of any person to an office or employment or his removal there from. Except for purposes of inquiry, the Council and its members shall deal with the administrative service under the City Manager solely through the City Manager, and neither the Council nor any member thereof shall give orders to any subordinate of the City Manager, either publicly or privately.

Nothing in this section shall be construed, however, as prohibiting the Council while in open session from fully and freely discussing with or suggesting to the City Manager anything pertaining to City affairs or the interests of the City.

**F. Do not attend meetings with City staff unless requested by staff.**

Even if the Councilmember does not say anything, the Councilmember's presence implies support, shows partiality, intimidates staff, and hampers staff's ability to do their job objectively.

**G. Limit requests for staff support**

Councilmembers are provided with staff to assist with various administrative activities. These staff members are merit system employees and, while available to assist the Councilmembers to which they are assigned, they remain subject to all the rules and directives that are applicable to all City employees. Requests for additional staff

support, beyond the currently assigned staff, even in high-priority or emergency situations, should be made only to the City Manager who is responsible for allocating City resources in order to maintain professional, well-run City functions.

**H. Do not solicit political support from staff**

Councilmembers should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, collection of petition signatures, etc.) from City staff. City staff may, as private citizens within constitutional rights, support political candidates but all such activities must be done away from the workplace and the staff cannot identify themselves in any manner as City employees.

## **Section 3 - Council Conduct with The Public**

### **In Public Meetings**

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual Councilmembers toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

**A. Be welcoming to speakers and treat them with care and gentleness**

For many citizens, speaking in front of Council is a new and difficult experience. Under such circumstances many are nervous. Councilmembers are expected to treat citizens with care and respect during public hearings. Councilmembers should commit full attention to the speakers or any materials relevant to the topic at hand. Comments and non-verbal expressions should be appropriate, respectful and professional. Questions by Councilmembers to speakers should seek to clarify or expand information.

**B. Be fair and equitable in allocating public hearing time to individual speakers** The Mayor will determine and announce time limits on speakers at the start of the public hearing process. Generally, each speaker will be allocated five-minutes with applicants and appellants or their designated representatives allowed more time. If many speakers are anticipated, the Mayor may shorten the time limit and/or ask speakers to limit themselves to new information and points of view not already covered by previous speakers. The public hearings and citizen comments time will be conducted in accordance with Resolution 3136.

Each speaker may only speak once during the public hearing unless the Council requests additional clarification later in the process. After the close of the public hearing, no more public testimony will be accepted unless the Mayor reopens the public hearing for a limited and specific purpose.

**C. Active listening**

Councilmembers shall actively listen to and be attentive to speakers.

**D. Ask for clarification, but avoid debate and argument with the public**

Only the Mayor, not the individual Councilmembers, should interrupt a speaker during a presentation. However, a Councilmember can ask the Mayor for a point of order if the

speaker is off the topic or exhibiting behavior or language the Councilmember finds disturbing. Questions by Councilmembers to members of the public testifying should seek to clarify or expand information.

**E. Follow parliamentary procedure in conducting public meetings**

The City Attorney serves as advisory parliamentarian for the City and is available to answer questions or interpret situations according to parliamentary procedures. Final rulings on parliamentary procedure are made by the Mayor, subject to the appeal of the full Council.

**F. Make no promises on behalf of the Council in unofficial settings.**

Councilmembers will frequently be asked to explain a Council action or to give their opinion about an issue as they meet and talk with constituents in the community.

It is appropriate to give a brief overview of City policy and to refer to City staff for further information. Overt or implicit promises of specific Council action, or to promise City staff will take some specific action are to be avoided.

## **Section 4 - Council Conduct with Other Public Agencies**

**A. Be clear about representing the City or personal interests**

If a Councilmember appears before another governmental agency or organization to give a statement on an issue, the Councilmember must clearly state 1) whether his or her statement reflects personal opinion or is the official stance of the City; 2) whether this is the majority or minority opinion of the Council.

**B. Representation of the City on an Outside Board, Commission, or to an Outside Agency**

If the Councilmember is representing the City, that Councilmember must consistently support and advocate the City's official position on an issue and cannot foster or further a personal viewpoint that is inconsistent with the official City position.

Councilmembers must inform the Council of their involvement in an outside organization if that organization is or may become involved in any issue within the City's jurisdiction. If an individual Councilmember publicly represents or speaks on behalf of another organization whose position differs from the City's official position on any issue, the Councilmember must clearly communicate the organization upon whose behalf they are speaking and must withdraw from voting as a Councilmember upon any action that has bearing upon the conflicting issue.

**C. Correspondence also should be equally clear about representation**

City letterhead shall be used only when the Councilmember is solely representing and speaking on behalf of the City and with the Councilmember's official capacity. A copy of official correspondence should be given to the Council office and mayor's office staff to be maintained as a public record.

**D. Representation of the City on Intergovernmental Commissions and Other Outside Entities**

Councilmembers serving on committees or boards as the City representative on outside entities or agencies shall properly communicate with other Councilmembers on issues pertinent to the City.

**Section 5 - Council Conduct with Boards and Commissions**

The Mayor and City Manager shall be ex-officio members, without voting privileges, of all boards and commissions.

**A. Limit contact with Board and Commission members to questions of clarification**

Councilmembers shall not contact a Board or Commission member to lobby on behalf of an individual, business, or developer. Councilmembers may contact Board or Commission members in order to clarify a position taken by the Board or Commission or a member of that Board or Commission. Councilmembers may respond to inquiries from Board and Commission members. Communications should be for information only.

**B. If attending a Board or Commission meeting, be careful to only express personal opinions**

Councilmembers may attend any Board or Commission meeting, which are always open to any member of the public. However, they should be sensitive to the way their participation—especially if it is on behalf of an individual, business or developer—could be viewed as unfairly affecting the process.

Except as allowed by the City Charter, public comments by a Councilmember at a Board or Commission meeting should be clearly made as individual opinion and not a representation of the feelings of the Council.

**C. Remember that Boards and Commissions serve the community, not individual Councilmembers**

The City Council appoints individuals to serve on Boards and Commissions, and it is the responsibility of Boards and Commissions to follow policy established by the Council. However, Board and Commission members do not report to individual Councilmembers, nor should Councilmembers feel they have the power or right to threaten Board and Commission members with removal if they disagree about an issue. Appointment and re- appointment to a Board or Commission will be based on such criteria as recommended by the Government Services Committee.

**D. Be respectful of diverse opinions**

A primary role of Boards and Commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Councilmembers may have a closer working relationship with some individuals serving on Boards and Commissions but must be fair and respectful of all citizens serving on Boards and Commissions.

**E. Keep political support away from public forums**

Board and Commission members may offer political support to a Councilmember, but



not in a public forum while conducting official duties. Conversely, Councilmembers may support Board and Commission members who are running for office, but not in an official forum in their capacity as a Councilmember.

## **Section 6 - Council Conduct with the Media**

### **A. Expression of Positions on Issue**

When communicating with the media, Councilmembers should clearly differentiate between personal opinions and the official position of the City. All Councilmembers represent one vote of seven and until a vote on any issue is taken, Councilmembers' positions are merely their own.

### **B. Discussions Regarding Staff Members**

Councilmembers should not discuss personnel issues or other matters regarding individual staff members in the media. Any issues pertaining to staff should only be addressed directly to the City Manager.

## **Section 7 – Sanctions & Violations**

### **Process**

- A. The first and most important step in this section is the requirement that the offended Councilmember address the concern with the offending Councilmember including a description of the specific action observed, the relationship of that event to the Code and, if applicable, the impact it had on the offended Councilmember. The purpose of this first step is to assure that an attempt has been made to discuss the issue and resolve the conflict without proceeding further. This step requires no formal action and no involvement of other Councilmembers.
- B. Either party may request, and both must agree, to seek a third party who will assist in facilitating the discussion toward a mutually satisfactory conclusion. If any expenses are incurred, they will be paid for equally from the district funds of each member engaged in the mediation.
- C. If the situation cannot be settled through the process in steps (1) and (2), either Councilmember may choose to refer the concern to the entire Council for their review. The Council will serve as a committee of the whole for purposes of Code violation and sanction consideration.
- D. To present the concern to the Council, the offended member must advise the offending Councilmember that the issue will be taken to the Council and subsequently ask the City Manager to post the issue for the earliest upcoming executive session. All laws pertaining to executive session will apply. Included in those rules is the option for the offending Councilmember to exercise their right to request that the discussion be held in an open hearing. The City Attorney's Office will prepare notice to the Councilmember or Councilmembers that are to be discussed in executive session as required by law.

- E. The Council will discuss the issue in order to:
  - 1. become fully informed;
  - 2. determine if there appears to be a violation of the Code of Conduct;
  - 3. seek resolution without further action or, if necessary schedule the issue for an upcoming public hearing for final determination regarding whether a violation occurred and if necessary;
  - 4. determine what sanction is most appropriate; customarily, sanctions are limited to a letter of reprimand or censure.
- F. A 2/3 vote of the Council at a regular Council meeting will be required for a determination that a violation has occurred and likewise, a 2/3 vote for the sanction to be imposed.
- G. If a sanction is imposed, the language will follow a specific format to be established by the Council and used consistently as such situations occur.

### **Effects of Violations**

The Code of Conduct alone does not provide a basis for challenging the validity of any final enactment, resolution, decision, determination, or recommendation of the Council, a board or a commission.

# **Code of Ethics for Elected Officials and Boards and Commissions**

## **Preamble**

The citizens of Glendale are entitled to have fair, ethical and accountable local government which has earned the public's full confidence. In keeping with the City of Glendale commitment to effective functioning of democratic government, public officials, both elected and appointed, shall comply with both the letter and spirit of the laws and policies affecting the operations of government; be independent, impartial and fair in their judgment and actions; use their office for the public good and not for personal gain. All public deliberations and processes shall be conducted openly, unless to be held confidential in accordance with the law, and in an atmosphere of respect and civility.

To this end, the Glendale City Council has adopted a Code of Ethics for members of the City Council and of the City's boards and commissions to assure public confidence in the integrity of local government and its effective and fair operation.

## **Section 1 – Keep the Public Interest Paramount**

Recognizing that stewardship of the public interest is their primary concern, all members will work for the common good of the people of Glendale and not for any private or personal interest, and they will assure fair and equal treatment of all persons and issues coming before the Glendale City Council, boards and commissions.

## **Section 2 – Comply with the Law**

Members shall comply with the laws of the nation, the State of Arizona and the City of Glendale in the performance of their public duties. These laws include, but are not limited to, the United States and Arizona constitutions, the Glendale City Charter, laws pertaining to conflicts of interest, election campaigns, financial disclosure, employer responsibilities, and open processes of government, and City ordinances and policies.

## **Section 3 – Conduct of Members**

The professional and personal conduct of members must be above reproach and avoid even the appearance of impropriety. Members, in compliance with the Code of Conduct, shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of Council, boards and commissions, the staff or public.

## **Section 4 – Respect for Process**

Members shall perform their duties in accordance with the processes and rules of order established by the City Council and board and commissions.

## **Section 5 – Conduct of Public Meetings**

Members shall prepare themselves for public issues; listen courteously and attentively to all public discussions before the body; and focus on the business at hand. They shall refrain from interrupting other speakers; making personal comments not germane to the business of the body; or otherwise interfering with the orderly conduct of meetings.

## **Section 6 – Decisions Based on Merit**

Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations.

## **Section 7 – Communication**

Members shall publicly share substantive information that is relevant to a matter under consideration by the Council or boards and commissions, which they may have received from sources outside of the public decision-making process.

## **Section 8 – Conflict of Interest**

In order to assure their independence and impartiality on behalf of the common good, members shall not use their official positions to influence government decisions in which they have a material financial interest or where they have an organizational responsibility or personal relationship which may give the appearance of a conflict of interest. Furthermore, members shall comply with the law and rules with respect to all actual or potential conflicts of interest.

## **Section 9 – Gifts and Favors**

Members shall not take any special advantage of services or opportunities for personal gain that are not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised. Members shall comply with state laws pertaining to the disclosure of gifts or prohibits against gift in any specific and applicable circumstances.

## **Section 10 – Confidential Information**

Members shall respect the confidentiality of information concerning the property, personnel, or affairs of the City. They shall neither disclose confidential information without proper legal authorization, nor use such information for private interests, financial gain, or any other personal purposes.

## **Section 11 – Use of Public Resources**

Members shall not use public resources not available to the public in general, such as City staff time, equipment, supplies or facilities, for private gain or personal purposes.

## **Section 12 – Representation of Private Interests**

In keeping with their role as stewards of the public interest, members of Council shall not appear on behalf of the private interests of third parties before the Council or any board, commission or proceeding of the City, nor shall members of boards and commissions appear before their own bodies or before the Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.

## **Section 13 – Advocacy**

Members shall represent the official policies or positions of the City Council, board or commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of Glendale, nor will they allow the inference that they do.

## **Section 14 – Policy Role of Members**

Members shall respect and adhere to the Council-manager form of government as established by the City Charter. Members therefore shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions.

## **Section 15 – Independence of Boards and Commissions**

Because of the value of the independent advice of boards and commissions to the public decision-making process, members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of board and commission proceedings.

## **Section 16 – Positive Work Place Environment**

Members shall support the maintenance of a positive and constructive work place environment for City employees and for citizens and businesses dealing with the City. Members shall recognize their special role in dealings with City employees to in no way create the perception of inappropriate direction to staff.

## **Section 17 – Implementation**

As an expression of the standards of conduct for members, the Code of Ethics for Elected Officials and Board and Commission Members is intended to be self-enforcing. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

## **Section 18 – Compliance and Enforcement Procedures**

### **A. Process for Councilmembers**

1. The first and most important step in this section is the requirement that the offended Councilmember address the concern with the offending Councilmember including a description of the specific action observed, the relationship of that event to the Code

and, if applicable, the impact it had on the offended Councilmember. The purpose of this first step is to assure that an attempt has been made to discuss the issue and resolve the conflict without proceeding further. This step requires no formal action and no involvement of other Councilmembers.

2. Either party may request, and both must agree, to seek a third party who will assist in facilitating the discussion toward a mutually satisfactory conclusion. If any expenses are incurred, they will be paid for equally from the district funds of each member engaged in the mediation.
3. If the situation cannot be settled through the process in steps (1) and (2), either Councilmember may choose to refer the concern to the entire Council for their review. The Council will serve as a committee of the whole for purposes of Code violation and sanction consideration.
4. To present the concern to the Council, the offended member must advise the offending Councilmember that the issue will be taken to the Council and subsequently ask the City Manager to post the issue for the earliest upcoming executive session. All laws pertaining to executive session will apply. Included in those rules is the option for the offending Councilmember to exercise their right to request that the discussion be held in an open hearing. The City Attorney's Office will prepare notice to the Councilmember or Councilmembers that are to be discussed in executive session as required by law.
5. The Council will discuss the issue in order to:
  - (a) become fully informed;
  - (b) determine if there appears to be a violation of the Code of Conduct;
  - (c) seek resolution without further action or, if necessary schedule the issue for an upcoming public hearing for final determination regarding whether a violation occurred and if necessary;
  - (d) determine what sanction is most appropriate; customarily, sanctions are limited to a letter of reprimand or censure.
6. A 2/3 vote of the Council at a regular Council meeting will be required for a determination that a violation has occurred and likewise, a 2/3 vote for the sanction to be imposed.
7. If a sanction is imposed, the language will follow a specific format to be established by the Council and used consistently as such situations occur.

## **B. Process for Board and Commission Members**

Inappropriate behavior can lead to removal. Inappropriate behavior by a Board or Commission member should be communicated to the Chair of the Government Services Committee who will communicate to the Councilmember who presented the member for appointment. If inappropriate behavior continues, the situation will be brought to the attention of the Council and the individual is subject to removal from the Board or Commission in accordance with any applicable ordinance.

### **C. Effects of Violations**

The Code of Ethics alone does not provide a basis for challenging the validity of any final enactment, resolution, decision, determination, or recommendation of the Council, a board or a commission.



## **CHAPTER 02 MAYOR AND COUNCIL<sup>1</sup>**

### **ARTICLE I. IN GENERAL**

#### **Sec. 2-1. Definitions in General**

The definitions in A.R.S. tit. 9 (A.R.S. § 9-101 et seq.) shall be applicable to this Chapter unless a term is specifically defined in this Chapter, or unless the context requires otherwise.

#### **Sec. 2-2. Definitions Pertaining to this Chapter**

For the purposes of interpretation of this Chapter, the following words and phrases shall mean:

- (a) *Clerk* – the office of the city clerk, including duly appointed deputies thereof.
- (b) *Manager* – the office of the city manager.
- (c) *Person* – includes officers, employees and city councilmembers of the City of Maricopa.
- (d) *Proceedings* – includes any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administered or investigated.

Secs. 2-3--2-10. Reserved.

### **ARTICLE II. MAYOR AND COUNCIL IN GENERAL**

#### **Sec. 2-11. Elected Officers<sup>2</sup>**

- (a) The elected officers of this city shall be a mayor and six councilmembers. The mayor and six councilmembers shall constitute the council and shall continue in office until their successors are elected and qualified.
- (b) The term of office for the mayor shall be four years.
- (c) The term of office for councilmembers shall be four years. Terms shall be staggered such that three councilmembers shall stand for election at one election and three shall stand for election at the following election.
- (d) A candidate shall not run for both mayor and councilmember in the same election.

---

Chapter 02 as of 04/19/2019

<sup>1</sup> Adopted amended Chapter 02 by Ordinance 09-10 on 11/30/2009

<sup>2</sup> Amended by Ordinance 16-01 Adopted on 01/19/2016

#### **Sec. 2-12. Corporate Powers**

(a) The corporate powers of the city shall be vested in the council and shall be exercised only as directed or authorized by law. All powers of the council shall be exercised by ordinance, resolution, order or motion.

(b) The council may adopt ordinances which authorize the exercise of specific corporate powers by appointive officers of the city.

#### **Sec. 2-13. Vacancies in Council<sup>3</sup>**

The Council shall fill a vacancy that may occur by appointment until the next regularly scheduled council election if the vacancy occurs more than thirty (30) days before the nomination petition deadline. Otherwise the appointment is for the unexpired term. The councilmember appointed shall be a qualified elector in the city and shall meet the qualifications set forth in Section 2-51 of this Code.

#### **Sec. 2-14. Compensation**

The compensation of elected officers of the city shall be fixed from time to time by resolution of the council, provided that the compensation of any elected officer shall not be increased or decreased except in conformance with the provisions of the state constitution, article IV, part 2, section 17.

#### **Sec. 2-15. Naming of Facilities**

The naming of all city facilities shall be the sole responsibility and authority of the mayor and council and shall be accomplished in one of the following manners:

- (a) Adoption of a resolution setting forth the name of the facility; or
- (b) Designation of an advisory board or appointment of an advisory committee with guidelines and parameters to be used by the committee to provide recommendations to the mayor and council who shall then decide, by resolution, on the name of the facility.

Secs. 2-16--2-30. Reserved.

### **ARTICLE III. MAYOR**

#### **Sec. 2-31. Election**

The mayor shall be directly elected by the qualified electors of the city.

#### **Sec. 2-32. Vice Mayor<sup>4</sup>**

---

<sup>3</sup> Amended by Ordinance 14-03 Adopted on 05/20/2014

At the first regular meeting in the month following the date of the general election, the council shall designate one of its members as vice mayor, who shall serve at the pleasure of council. The vice mayor shall perform the duties of the mayor during his absence or disability.

### **Sec. 2-33. Acting Mayor**

In the absence or disability of both the mayor and vice mayor, the council member with the most total years as a member of the council shall serve as acting mayor who shall have all the powers, duties and responsibilities of the mayor during such absence or disability. The city clerk shall prepare and keep on file a list of total years of service for council members as of January 1 of each year. If there are council members with the same number of years of total service, then the acting mayor shall be chosen by a vote of the council members present at the meeting.

### **Sec. 2-34. Powers and Duties of the Mayor<sup>5</sup>**

The powers and duties of the mayor shall include:

- (a) Be the chief executive officer of the city performing all duties authorized or required by state statute and this Code.
- (b) Be the chairperson of the council and preside over its meetings. The mayor may make and second motions and shall have a voice and vote in all its proceedings.
- (c) Execute and authenticate by his signature such instruments as the council, or any statutes, or ordinances of this Code shall require.
- (d) By proclamation, declare a local emergency to exist due to fire, conflagration, flood, earthquake, explosion, war, bombing, acts of the enemy or any other natural or manmade calamity or disaster by reason of threats or occurrences of riots, routes or affrays or other acts of civil disobedience which endanger life or property within the city. After declaration of such emergency, the mayor shall govern by proclamation and impose all necessary regulations to preserve the peace and order of the city including, but not limited to:
  - (1) Imposition of a curfew on all or any portion of the city.
  - (2) Ordering the closing of any business.
  - (3) Closing to public access any public building, street or other public place.
  - (4) Calling upon regular or auxiliary law enforcement agencies and organizations within or without the political subdivision for assistance.
- (e) Provide an annual State of the City Address at a time and place to be determined by the mayor

### **Sec. 2-35. Absence of the Mayor**

The mayor shall notify the clerk if he will be absent from the city for a period greater than seven calendar days.

---

<sup>4</sup> Amended by Ordinance 13-08 Adopted on 9/17/2013

<sup>5</sup> Amended by Ordinance 13-03 Adopted on 2/5/2013

#### **Sec. 2-36. Failure to Sign Documents**

If the mayor refuses or fails to sign any ordinance, resolution, contract, warrant, demand or other document or instrument requiring his signature for five days consecutively, a majority of the members of the council may, at any regular or special meeting, authorize the vice mayor or, in his absence, an acting mayor to sign such ordinance, resolution, contract, warrant, demand or other document or instrument which when so signed shall have the same force and effect as if signed by the mayor.

Secs. 2-37--2-50. Reserved.

### **ARTICLE IV. ELECTIONS**

#### **Sec. 2-51. Qualifications of Candidates**

All candidates for elected office in the city shall be qualified electors of the city. Candidates shall have resided in the city for at least one year preceding the election in which he is running, except that a person living in an area that has been annexed into the city during the year preceding the election shall be qualified if he has resided in that annexed area at least one year prior to the election.

#### **Sec. 2-52. Resignation of Other Office or Position<sup>6</sup>**

(a) In accordance with A.R.S. §38-296, except during the final year of the term being served, an incumbent of a salaried elective office, whether holding by election or appointment, shall resign his position upon filing a nomination paper for election to any salaried local, state or federal office.

(b) Except during the final year of the term being served, a non-salaried member of any committee, commission, task force or administrative board of the city, whether elected or appointed, shall resign his position upon filing a nomination paper for election to any salaried local, state or federal office. This provision shall not apply to member of the council who, by law, policy, or this Code, are required to act as members of other committees, commissions or administrative boards.

(c) A city employee shall resign his position upon filing a nomination paper for election to the council.

#### **Sec. 2-53. Nonpolitical Ballot**

Nothing on the ballot in any election shall be indicative of the support of a candidate.

---

<sup>6</sup> Amended by Ordinance 12-08 Adopted on 09/04/2012  
Amended by Ordinance 13-14 Adopted on 11/19/2013

**Sec. 2-54. Primary Election<sup>7</sup>**

Any candidate who shall receive at the primary election a majority of all the votes cast shall be declared to be elected to the office for which he is a candidate effective as of the date of the general election, and no further election shall be held as to said candidate; provided that if more candidates receive a majority than there are offices to be filled then those equal in number to the offices to be filled receiving the highest number of votes shall be declared elected. In calculating the votes cast for purposes of this Section, the basis shall be the number of votes cast for the office of mayor at that election.

**Sec. 2-55. General Election Nomination**

If at any primary election held as above provided there be any office for which no candidate is elected, as to such office said election shall be considered to be a primary election for nomination of candidates for such office, and the second or general municipal election shall be held to vote for candidates to fill such office. Candidates to be placed on the ballot at such second or general municipal election shall be those not elected at such first election, shall be equal in number to twice the number to be elected to any given office or less than that number if there be less than that number named on the primary election ballot, and persons who receive the highest number of votes for the respective offices at such first election shall be the only candidates at such second election, provided that if there be any person who, under the provisions of this article, would have been entitled to become a candidate for any office except for the fact that some other candidate received an equal number of votes therefore, then all such persons receiving an equal number of votes shall likewise become candidates for such office.

**Sec. 2-56. General Election Declaration**

- (a) The candidates equal in number to the persons to be elected who shall receive the highest number of votes at such election shall be declared elected to such office.
- (b) If among the candidates receiving the highest number of votes, two persons receive the lowest and same number of votes, the resulting tie for the last position to be filled shall be decided by lot between those two candidates, the winner of the lot being declared elected.

**Sec. 2-57. Assumption of Office<sup>8</sup>**

The mayor and members of the council shall assume the duties of office at the first regular meeting of the council in the month following the date of the general election at which, or effective as of the date of which, the mayor and councilmembers were elected.

**Sec. 2-58. Oath of Office**

Immediately prior to assumption of the duties of office, the mayor and each councilmember shall, in public, take and subscribe to the oath of office.

---

<sup>7</sup> Amended by Ordinance 13-09 Adopted on 9/17/2013

<sup>8</sup> Amended by Ordinance 13-08 Adopted on 9/17/2013

#### **Sec. 2-59. Bonds of Officers**

Prior to taking office, the mayor and every councilmember shall execute and file an official bond, enforceable against the principal and his sureties, conditioned on the due and faithful performance of his official duties, payable to the state and to and for the use and benefit of the city or any person who may be injured or aggrieved by the wrongful act or default of such officer in his official capacity. A person so injured or aggrieved may bring suit on such bond under provisions identical to those contained in A.R.S. §38-260. Bonds shall be in such sum as shall be provided by resolution, and the premium for such bonds shall be paid by the city. Nothing in this Section shall preclude the City from obtaining a blanket bond pursuant to the provisions of A.R.S. §9-302.

#### **Sec. 2-60. Financial Disclosure Statement**

The mayor, each councilmember, and each candidate for mayor or councilmember shall file a financial disclosure statement in a form and with such information as provided by Resolution No. 03-05 of the council, as amended, and pursuant to state law.

#### **Sec. 2-61. Recall**

Elective officers of the city shall be subject to recall from offices by the qualified electors of the city under the proceedings and in the manner prescribed for the recall of such officers by the state statutes.

#### **Sec. 2-62. Special Elections for Initiatives and Referendums<sup>9</sup>**

Initiative and referendum elections shall be voted on at the next ensuing primary or general election or Council may call for a special election for such purpose in accordance with A.R.S. Titles 16 and 19 and amendments thereto and the Arizona State Constitution.

Secs. 2-63--2-70. Reserved.

### **ARTICLE V. RULES OF ORDER AND PROCEDURE**

#### **Sec. 2-71. Regular Meetings<sup>10</sup>**

The council shall hold regular meetings on the first and third Tuesday of each month beginning at 7:00 o'clock p.m. The Mayor or City Manager, upon the advice and consent of the Mayor and after notifying all members of Council, may adjust the regular meeting start time due to the items on the Council's agenda, which time shall be specifically designated in writing in all required public notices. When the day fixed for any regular meeting of the council falls upon a day designated by law as a legal holiday, such meeting shall be held at the same hour on the next succeeding day not a holiday unless otherwise rescheduled by Council. All regular meetings of

---

<sup>9</sup> Amended by Ordinance 17-07 Adopted on 06/06/2017

<sup>10</sup> Amended by Ordinance 10-01 Adopted on 01/19/2010

Amended by Ordinance 13-06 Adopted on 08/20/2013

Amended by Ordinance 19-01 Adopted on 02/19/2019

the council shall be held at the Maricopa City Hall, Council Chambers, 39700 W. Civic Center Plaza, Maricopa, Arizona, or such other place as specifically designated in writing in all required public notices. However, when circumstances are such that there is no official business requiring council consideration or that there will be no quorum of the council present, the meeting may be cancelled by the City Manager upon the advice and consent of the Mayor and after notifying all members of the council and the clerk. Notice of cancellation of the meeting shall be posted at City Hall and on the City website at least forty-eight hours prior to the time originally scheduled for the meeting. At no time, however, shall the council meet less than once per calendar month. The clerk, upon request of the mayor, any three members of the council or the City Manager, may schedule and convene a work session by notifying members of the date, hour, place and purpose and providing appropriate public notice at least twenty-four hours in advance of the work session by posting the agenda in accordance with A.R.S. §38-431.02 and §38- 431.09, as each may be amended from time to time.

#### **Sec. 2-72. Special Meetings**

The mayor, upon his own motion, or the clerk upon the written request of three members, may convene the council at any time by notifying the members of the date, hour, place and purpose of such special meeting and by giving such additional notice as required by state law. The public shall be given at least twenty-four (24) hours notice of any such special meeting by the posting of such notice in at least three public places and preparation of an agenda in accordance with A.R.S. §38-431.09 as amended; except that in the case of an actual emergency, a meeting may be held upon such notice as is appropriate for the circumstances in accordance with A.R.S. §38-431.02 as amended. A special work session may be called in the same manner and upon the same notice as otherwise set forth in this Section for a special meeting of council.

#### **Sec. 2-73. Meetings to Be Public**

- (a) All official meetings of the council at which any legal action is taken shall be open to the public. Notice of meetings shall be given in a manner consistent with state statutes. Upon approval by a majority vote of the council, the council may meet in a closed executive session for any purpose permitted by law.
- (b) Minutes of executive sessions shall be kept confidential except from members of the council.
- (c) No executive session may be held for the purpose of taking any legal action involving making a final vote or decision.

#### **Sec. 2-74. Quorum**

A majority of the council shall constitute a quorum for transacting business but a lesser number may recess from time to time and compel the attendance of absent members. Any member of the council, at any regular or specially called meeting, may, in writing, demand the attendance of any absent member, which demand shall be entered of record forthwith by the clerk. It shall thereupon be the duty of the chief of police, upon the entry of the demand to bring the member forthwith to attend the council meeting, and upon the failure or refusal of the member to forthwith attend the council meeting, it is the duty of chief of police to arrest the member and bring him to the meeting, and to remain there until the business of the meeting has been performed and such meeting has regularly adjourned.



## **Sec. 2-75. Agenda**

(a) The manager and clerk are responsible for receiving and organizing all materials for the agenda. The manager and clerk are authorized to establish timeframes and guidelines to assure all materials are received in a uniform, complete and timely manner for placement on the agenda and to furnish each councilmember, the mayor, and designated staff with a copy of the agenda and any material pertinent thereto in a timely manner prior to the meeting.

(b) The manager will also place an item on the agenda at the request of the mayor or two councilmembers.

## **Sec. 2-76. Order of Business<sup>11 12</sup>**

The business of the council shall be taken up for consideration and disposition in the following order:

(a) Call to Order. The mayor shall take the chair precisely at the hour set for the meeting and shall immediately call the council to order. In the absence of the mayor, the vice mayor shall call the council to order. In the absence of both the mayor and vice mayor, the clerk shall call the council to order and an acting mayor shall be selected to chair the meeting. Upon arrival of the mayor or the vice mayor, the vice mayor or the acting mayor shall immediately relinquish the chair upon the conclusion of the business immediately before the council.

(b) Invocation and Pledge. The mayor or presiding official pursuant to paragraph (a) may request that a councilmember or member of the general public open the meeting by invocation, which shall be followed by the pledge of allegiance.

(c) Roll Call. Before proceeding with the business of the council, the clerk shall call the roll of the members, and the names of those present shall be entered in the minutes. If a quorum is not present, the members may adjourn pursuant to Section 2-74 of this Code.

(d) Introduction of Distinguished Guests and Visitors, Awards, Presentations and Communications. The council may wish to acknowledge the presence of an individual or individuals present in the audience. Proclamations issued by the mayor, presentations from other agencies and awards given to or received by the city will be considered at this time.

(e) Mayor's Report. The mayor may present information pertinent to items under consideration or information related to the operations of the city.

(f) City Manager's Report. The manager, members of the city staff or those individuals designated by the manager may present information pertinent to items under consideration or information related to the operation of the city.

(g) Call to the Public. At this time the council shall, as it deems necessary, consider all business not specifically provided for herein. Requests, petitions, remonstrances, communications, comments or suggestions from citizens present shall be heard. All such remarks shall be addressed to the council as a whole and not to any member thereof. Such remarks shall be limited to a maximum of five minutes unless additional time is granted by the mayor. Where a group or organization wishes to present comments or discussion, one

---

<sup>11</sup> Amended by Ordinance 11-13 adopted on 10/18/2011

<sup>12</sup> Amended by Ordinance 18-11 adopted on 10/02/2018

person from the group shall be designated to present said comments or discussion. No person other than the individual speaking shall enter into the discussion without the permission of the presiding officer.

(h) Minutes. If not included as a consent agenda item, the clerk shall present the minutes of the preceding council meeting which shall be approved if correct. Any error noted shall be corrected and initialed by the clerk.

(i) Consent Agenda. The council may, at this time, take single action on any or all items listed as consent agenda items. These items may include, but are not limited to, acceptance of agenda, acceptance of minutes, acceptance of resignations and adoption of certain resolutions and other items which do not require a public hearing.

(j) Regular Agenda/Public Hearings.

(1) The council shall consider any business not heretofore considered including, but not limited to, acceptance of resignations, adoption of resolutions or ordinances, consideration of contracts, award of bids, appointments to boards and commissions and setting of dates for work sessions, special meetings and executive sessions. Council liaison reports and committee reports as required by the council shall be presented at this time. No member of the public shall be permitted to speak on these items unless there is a public hearing, they have first filed a written request to speak with the clerk or they have been invited to do so by the council.

(2) Public hearings required by city ordinance, state statute or federal regulations shall be conducted by the council and all interested parties given the opportunity to speak. Public hearings shall be conducted on amendments to the zoning ordinance, if requested by the aggrieved party, any member of the public or any member of the council, or if no public hearing has been held by the planning and zoning commission.

(k) Executive Session. The council may, by a majority vote of those present, adjourn into executive session to receive advice from the city attorney regarding any item on the agenda or any item allowed by state statute that has been properly agendaized.

(l) Adjournment. The council may, by a majority vote of those present, adjourn at the conclusion of business. A motion to adjourn shall always be in order and decided without debate.

## **Sec. 2-77. Voting <sup>13</sup>**

(a) The mayor shall vote as a member of the council.

(b) The ayes and nays upon all questions shall be taken and entered in the minutes by voice vote or electronic vote.

(c) Upon the request of any member, the ayes and nays may be taken and entered in the minutes by roll call vote.

(d) The following actions of the council shall require at least four affirmative votes in order to become effective:

(1) Adoption of amendments to the City Code.

---

<sup>13</sup> Amended by Ordinance 11-03 Adopted 2/15/2011

- (2) Adoption of resolutions approving a new general plan or any amendments to the general plan.
- (3) Adoption of amendments to the zoning code.
- (4) Adoption of rezoning ordinances.
- (5) Adoption of resolutions approving development agreements pursuant to A.R.S. § 9-500.05 or A.R.S. § 9-500.11.
- (6) Authorizing any eligible ballot item to be referred to the voters.
- (7) Adoption of the annual budget.
- (8) Adoption of a capital improvements plan.
- (9) Adoption of any property tax levy.
- (10) Adoption of changes to the sales tax rate.
- (11) Adoption of changes to fees and charges, including but not limited to utility rates and system development fees.
- (12) Approval of lease-purchase agreements or issuance of debt instruments.
- (13) Approval of amendments to personnel rules.
- (14) Approval of memoranda of understanding with employee organizations.
- (15) Authorizing the filing of any civil litigation.
- (16) Approving any non-binding public declaration or resolution on policy or political issues.
- (17) Approval of actions related to the employment, suspension, or removal of the city manager.

**Sec. 2-78. Conduct of Meetings**

- (a) *Preservation of order and decorum.* The mayor shall preserve order and decorum.
- (b) *In accord with Robert's Rules of Order, Newly Revised.* The mayor shall conduct the proceedings of the meetings generally in accordance with the parliamentary rules contained in Robert's Rules of Order, Newly Revised, except where Robert's Rules of Order, Newly Revised, conflict with this Code or other applicable state or local laws. The city attorney shall serve as parliamentarian or a parliamentarian may be appointed by the council to be present at all regular meetings.
- (c) *Reconsideration.* Any councilmember who voted with the prevailing side may move that the council reconsider any council decision or action at the same or the next meeting. For purposes of this Section only, the next meeting is the next meeting or session after the original vote is taken, in which the agenda provides notice of possible council action. Councilmembers may move for reconsideration by:
  - (1) Placing the proposed reconsideration motion on the agenda for consideration at the next meeting; or
  - (2) Making a request at either the same or next regular meeting that the proposed reconsideration motion be placed on the agenda for consideration at the next meeting following the request.

**Sec. 2-79. Addressing the Council**

The public in accord with other provisions of this Code shall have the right to petition council at the call to the public, the time for which to be prescribed by council, but otherwise any person wishing to address any regular or special meeting of the council shall obtain consent of the mayor or consent of a majority of the council members present.

**Sec. 2-80. Disruption of Meetings; Penalty**

It shall be unlawful to disturb or interrupt any regular or special meeting of the city council; any person violating this Section, in addition to being punishable as follows, shall be summarily ejected from said meeting. Any person violating any provision of this Section shall be subject to being fined not more than twenty dollars (\$20.00) and by imprisonment until payment of the fine.

**Sec. 2-81. Misconduct of Members**

- (a) The mayor shall be authorized to assess a fine of not more than twenty dollars (\$20.00) upon any member for disorderly conduct at any meeting of the council upon a concurring vote of three (3) members thereof and to hold and direct such to be imprisoned until the payment of such fine.
- (b) Any member of the council may be expelled for any cause determined sufficient by the council upon a vote of five (5) of the members.
- (c) The judgment of the council as to the causes for fine or expulsion shall be conclusive.

**Sec. 2-82. Boards, Committees and Commissions<sup>14</sup>**

Unless otherwise directed by council, the following provisions will apply to all city of Maricopa standing committees, task force committees, council standing sub committees, council task force sub committees, or any other board committee or commission council may create. The provisions of this Section shall not supersede any board, committee, or commission that contains membership and appointment requirements within the enabling statutes or bylaws.

**(1) Standing Committee**

- (a) Currently Established Boards, Committees and Commissions
  - (i) Council Established Standing Committees
    - (A) Parks, Recreation and Libraries Advisory Committee
    - (B) Transportation Advisory Committee
    - (C) Heritage District Citizen Advisory Committee

---

<sup>14</sup> Amended by Ordinance 12-07 Adopted on 08/07/2012  
Amended by Ordinance 14-15 Adopted on 10/21/2014  
Amended by Ordinance 15-01 Adopted on 01/20/2015  
Amended by Ordinance 16-08 Adopted on 06/06/2016  
Amended by Ordinance 16-11 Adopted on 10/04/2016  
Amended by Ordinance 17-11 Adopted on 11/07/2017  
Amended by Ordinance 19-02 Adopted on 02/19/2019

- (D) Age-Friendly Maricopa Advisory Committee
- (E) Cultural Affairs Committee
- (F) Arts Committee

ii) Council Established Standing Boards

- (A) Industrial Development Authority Board
- (B) Merit Board
- (C) Public Safety Personnel Retirement System Board
- (D) Board of Adjustments

iii) Council Established Standing Commission

- (A) Planning and Zoning Commission

b) Definition of a Standing Committee

- (i) A Standing Committee shall be formed by Council, comprised of Maricopa residents. Committees shall take directions from City Council and City staff liaison for the purpose of studying, researching and advising Council on topics of special interest.

c) Criteria for Creation of a Standing Committee

- (i) Council may create a Standing Committee to study and review multiple dynamic issues of a common topic in order to advise and make recommendations to Council in an open Council meeting.
- (ii) A Standing Committee is best suited when the following conditions are met:
  - (A) There are many related topics that interact with each other.
  - (B) There are ongoing activities in the area creating dynamic shifts.
  - (C) Council will benefit from in depth and extended citizen input.
  - (D) Council will be requested to act in the future in regards to this issue.
  - (E) The issue is of significant importance to a significant segment of residents.

d) Number of Members

- (i) All boards, committees and commissions shall consist of seven (7) members, with each member position being nominated by a member of Council.

e) Eligibility of Members

- (i) Members must be a current City of Maricopa resident in good standing, property owner or business owner for a minimum of one (1) year. Members must be at least 18 years of age and registered to vote in Pinal County. Members must complete the City of Maricopa Citizens Academy within two (2) years of appointment. Members shall not be a current member of any standing board committee or commission, City of Maricopa Council, or staff. Members appointed to boards, committees or commissions shall not be a direct family member (Parent, Spouse, Sibling or Child) of a sitting member of Council unless there are not sufficient applicants for the position.

f) Terms of Members

- (i) A member's tenure shall be coterminous with the term of office of the nominating member of Council.
- (ii) Members shall continue to serve until their successor is approved by a vote of Council.
- (iii) A member shall continue their tenure if the nominating member of Council leaves Council, until that seat is replaced by a vote of the people.

g) Selection of Members

- (i) Each member of Council shall select a candidate for appointment from the applicant bank.
- (ii) Each member of Council shall nominate a member at a meeting of Council, within three (3) months of the member of Council being seated. The Mayor may, if it is in the best interest of the City, make any nomination not made within three (3) months. Any such appointment shall be approved by a majority vote of the Council.
- (iii) Interested parties shall declare their intent to serve by submitting an application, listing all qualifications, and providing a resume and/or cover letter to the City Clerk for the application bank.
- (iv) Applications will be kept active in the application bank for five (5) years. Applicants are responsible for maintaining a current application on file.

h) Resignations or Removal of Members

- (i) Members will notify the City staff liaison, committee chair, or nominating member of Council, of their intent to resign their appointed position prior to the end of their term.
- (ii) Any member may be removed by a majority vote of Council.
- (iii) Any member who is absent for three (3) consecutive meetings without contacting the chairperson or staff liaison, has not completed the Citizen's Academy, or is absent to any four (4) meetings over a six (6) month period shall be considered as having resigned his/her position
- (iv) Resignations shall be confirmed by a majority vote of the remaining members of the board, committee or commission.

i) Vacancies

- (i) In the event of death, resignation, removal of a member, a vacancy will be declared and will be reported to the Chair, staff liaison, and City Clerk's Office.
- (ii) The nominating member of Council shall be informed of the vacancy and allowed to begin the selection process for a new member.
- (iii) The nominating member(s) of Council may request that any vacancy be announced at the next regular meeting of Council.

j) Member Responsibility

- (i) Members shall advise the Council related to policy matters relevant to the scope of the given board, committee or commission.

- (ii) Members shall act on behalf of the best interest of the City and shall maintain ongoing communication throughout their membership term.
- (iii) Members shall select one (1) of its members to serve as chairman for no more than two (2), one year terms.

k) Staff Responsibility

- (i) A City of Maricopa staff member shall be designated as a staff liaison to each board, committee and commission.

l) Meeting Schedule

- (i) Members will meet as determined by Staff Liaison
- (ii) Members will meet a minimum of once a year for training with the staff liaison.

m) Agenda Process

- (i) Agenda topics should reflect the needs of Council to gain greater knowledge and understanding on a topic or to receive public input on a topic in support of possible Council action.
- (ii) Agenda topics may originate as a request by an individual Council member to the Mayor, by Council direction in an open meeting setting, or as a recommendation from the staff liaison.
- (iii) Agenda topics will be communicated to the committee by the staff liaisons.
- (iv) The staff liaison will prepare the agenda language, maintain topical relevance of each individual agenda item; transmit the finished agenda to the Chair and then to the City Clerk in order to be post in compliance with City procedures and Arizona Open Meeting Law.

n) Reporting Process

- (i) Meeting notes in the form of minutes shall be prepared by staff for approval by the Board, Committee or Commission, and forwarded to the Office of the City Clerk. Actions will be posted on the City website.
- (ii) A single board, committee or commission member who is designated by the Chair may present a two (2) minute report to Council on behalf of their respective board, committee or commission, on topics previously considered by the board, committee or commission and which are included on the Council Work Session agenda and limited to one report per meeting. The two minute report shall include a summary of the scope of discussion, major questions or outcomes discussed and formal action taken by the respective board, committee or commission.

2) Task Force Committees

a) Definition of a Task Force Committee

- (i) A Task Force Committee is a type of ad hoc committee created by Council, made up of interested parties with a specialized interest or background, for a limited period of time to address one general topic and produce specific outcome(s) that can be achieved and reported to council within Council prescribed time limits. A



Council created Task Force Committee will end on a date determined by Council.

b) Criteria for Creation of a Task Force Committee

- (i) Council may create a Task Force Committee to study and review specific issues and to make recommendations to Council in an open Council meeting.
- (ii) A Task Force Committee is best suited when the following conditions are met:
  - (a) There is one clearly definable topic to be addressed.
  - (b) There is a measurable outcome that can be achieved.
  - (c) Council will benefit from in-depth and extended citizen input.
  - (d) Council will be requested to act in the future regards to this issue.
  - (e) The issue is of significant importance to a significant segment of residents.

c) Number of Members

- (i) The number of members shall be determined by the Mayor.

d) Eligibility of Members

- (i) Eligibility of Members shall be determined by the Mayor.

e) Terms of Members

- (i) Members shall be appointed and serve for the duration of the Task Force Committee

f) Selection of Members

- (i) Members shall be appointed by the Mayor
- (ii) Interested parties shall declare their intent to serve by contacting staff.

g) Removal of Members

- (i) Members serve at the pleasure of the Mayor.

h) Vacancies

- (i) Members will notify Mayor, committee chair, or staff liaison of intent to vacate their position on any task force prior to completion of their activities. Vacancies may be filled at the discretion of the Mayor.

i) Member Responsibility

- (i) Mayor shall serve as Chairperson of all Task Force Committee for the duration of the Task Force Committee or until such time the Mayor delegates this responsibility to an appointed member. Members shall act on behalf of the best interest of the City.

j) Staff Responsibility

- (i) At least one City of Maricopa staff member shall be assigned as a staff liaison to each Task Force Committee.
- k) Meeting Schedule
  - (i) Members will meet as needed to complete their goal.
- l) Agenda Process
  - (i) The Chairperson will maintain the agenda.
  - (ii) Agenda topics will reflect the intent in which the Task Force was created.
  - (iii) The Chairperson or staff liaison will prepare the individual agenda language, maintain topical relevance of each individual agenda item and transmit the agenda to the City Clerk and Mayor in order to be post in compliance with City procedures and open meeting law.
- m) Reporting Process
  - (i) Meeting notes in the form of action items, shall be prepared by staff liaison or Chairperson, reviewed by City Manager, and forwarded to the Office of the City Clerk to be distributed to Council members.
- 3) Council Standing Subcommittees<sup>15</sup>
  - a) Established Standing Subcommittees
    - (i) A Budget & Finance Council Subcommittee shall convene from time to time as needed to conduct a review of the City's proposed budget and financial policies, and to provide City Council with feedback concerning the budget, compliance with policy and laws governing the budget process and to confirm consistency with Council's adopted Strategic Plan. The Budget & Finance Council Subcommittee will also be responsible for any projects specifically assigned to the subcommittee by City Council.
  - b) Definition of a Council Standing Subcommittee
    - (i) A Council Standing Subcommittee is formed by the Mayor, made up of Council members with a special interest, in order to advise the full Council on topics destined for Council consideration.
  - c) Criteria for Creation of a Council Standing Subcommittee
    - (i) Council may create a Council Standing Subcommittee to study and review multiple dynamic issues of a common topic and to make recommendations to the full Council in an open Council meeting.
    - (ii) A Council Standing Subcommittee is best suited when the following conditions are met:
      - (A) There are many related topics that interact with each other.

---

<sup>15</sup> Adopted by Ordinance 17-10 approved on 09/19/2017

- (B) There are ongoing activities in areas that create dynamic shifts.
- (C) Council will benefit from in depth and extended Council member input.
- (D) Council will be requested to act in the future in regards to this issue.

d) Number of Members

- (i) All Council Standing Subcommittee shall consist of the Mayor or his delegate and two (2) Council members. The Mayor or his /her delegate shall serve as Chairperson.

e) Member Appointment

- (i) Council members shall be appointed by the Mayor at a regular session of Council, within three (3) months of elected Council members being seated, based on Council member's interest and the best interest of the Council Standing Subcommittee.

f) Term of appointment

- (i) Council members shall serve two (2) year terms.

g) Member Responsibility

- (i) Members shall advise the Council related to matters destined to go before Council and are relevant to the scope of the given Council Subcommittees.

h) Staff Responsibility

- (i) At least one City of Maricopa staff member shall be assigned as a staff liaison to each Council Subcommittee.

i) Agenda Process

- (i) Items shall be added to the subcommittee agenda based on a request;
  - (A) By staff, and approval of the City Manager or Mayor.
  - (B) By a request and approval of the Mayor, or City Manager.
  - (C) By two or more Council members, and approval of the City Manager or Mayor.
  - (D) By Council direction in an open meeting setting.
  - (E) Agenda language will be submitted by staff liaison, approved by City Manager and posted by the Office of the City Clerk in compliance with City procedures and Arizona Open Meeting Law.

j) Reporting Process

- (i) Meeting notes in the form of Discussion Points and Action Items shall be prepared by staff liaison, reviewed by meeting Chairperson and City Manager, and forwarded to the Office of the City Clerk to be distributed to Council members.

4) Council Task Force Subcommittees

a) Definition of a Council Task Force

- (i) A Council Task Force is a type of ad hoc committee created by the Mayor, comprised of interested Council members for a limited period of time to address one general topic and produce specific outcome that can be achieved and reported to Council within Council prescribed time limit. A Mayor created Council task force will end on a date determined by the Mayor.

b) Criteria for Creation of a Council Task Force

- (i) Mayor may create a Council Task Force to study and review specific issues and to make recommendations to Council in an open Council meeting.
- (ii) A Council Task Force is best suited when the following conditions are met:
  - (A) There is one clearly definable topic to be addressed.
  - (B) There is a measurable outcome that can be achieved.
  - (C) Council will benefit from in depth and extended Council member input.
  - (D) Council will be requested to act in the future in regards to this issue.

c) Number of Members

- (i) All Council Task Forces shall consist of the Mayor or his delegate and two (2) Council members. The Mayor or his/her delegate shall serve as Chairperson.

d) Selection of Members

- (i) Council members shall be appointed by the Mayor.

e) Terms of Members

- (i) Council members shall serve for the duration of the Council Task Force.

f) Staff Responsibility

- (i) At least one City of Maricopa staff member shall be assigned as a staff liaison to each Council Task Force.

g) Meeting Schedule

- (i) Members will meet as needed to complete their goal.

h) Agenda Process

- (i) The Chairperson will maintain the agenda.
- (ii) Agenda topics will reflect the intent in which the Council Task Force was created.
- (iii) The Chairperson or staff liaison will prepare the individual agenda language, maintain topical relevance of each individual agenda item and transmit the agenda to the City Clerk and Mayor in order to be post in compliance with City procedures and Arizona Open Meeting Law.

i) Reporting Process

- (i) Meeting notes in the form of action items, shall be prepared by staff liaison or the Chairperson, reviewed by the City Manager, and forwarded to the Office of the City Clerk to be distributed to Council.

**Sec. 2-83. Suspension of Rules**

Any of the provisions of this Article may be temporarily suspended in connection with any matter under consideration by a recorded vote of three-fourths of the members present, except that this Section shall not be construed to permit any action that is contrary to state statutes.

Secs. 2-84--2-90. Reserved.

**ARTICLE VI. LEGISLATION**

**Sec. 2-91. Prior Approval**

All ordinances, resolutions and contract documents shall, before presentation to the council, have been reviewed as to form by the city attorney. When there are substantive matters of administration involved, all ordinances, resolutions and contract documents shall be referred to the person who will be charged with the administration of such ordinance, resolution or contract. Such person shall have an opportunity to present comments, suggestions and objections, if any, prior to the passage of the ordinance, resolution or acceptance of the contract.

**Sec. 2-92. Introduction**

Ordinances, resolutions, and other matters or subjects requiring action by the council shall be introduced and sponsored by a member of the council, except that the city attorney, the manager or the clerk may present ordinances, resolutions and other matters or subjects to the council, and any councilmember may assume sponsorship thereof by moving that such ordinance, resolution, matter or subject be adopted; otherwise, they shall not be considered.

**Sec. 2-93. Requirements of an Ordinance**

Each ordinance may have only one subject, the nature of which is clearly expressed in the title. Whenever possible, each ordinance shall be introduced as an amendment to this Code or to an existing ordinance, and, in such case, the title of the sections to be amended shall be included in the ordinance.

**Sec. 2-94. Reading of Proposed Ordinance**

All ordinances shall have at least one reading, which may be performed on the same day on which it was introduced or passed. All such readings shall be by title only unless the council, by majority vote, requires reading of the text of the ordinance in full.

**Sec. 2-95. Adoption**

All ordinances except emergency ordinances and ordinances described in Section 2-77(d) shall require the affirmative vote of a majority of all councilmembers present at any regular or special council meeting in order to become effective. Emergency ordinances and resolutions shall require the affirmative vote of three-fourths of all the members of the council. No ordinance shall be passed unless all councilmembers present at the meeting are in possession of copies of such ordinance.

**Sec. 2-96. Effective Date**

No ordinance, resolution or franchise shall become operative until thirty (30) days after its passage by the council and approval by the mayor, except emergency measures necessary for the immediate preservation of the peace, health, safety or welfare of the city. An emergency measure shall not become immediately operative unless it states in a separate section the reason why it is necessary that it shall become immediately operative, and unless it complies with the requirements of Section 2-95.

**Sec. 2-97. Signatures Required**

Every ordinance and resolution passed by the council shall, before it becomes effective, be signed by the mayor and attested by the clerk.

**Sec. 2-98. Publication**

Only such resolutions and ordinances of the city council shall be published as required by state law.

**Sec. 2-99. Posting**

Every ordinance imposing any penalty, forfeiture, or other punishment shall, after passage, be posted by the city clerk in three or more public places within the city, and a copy of such ordinance, with affidavit of posting attached, shall be filed in the office of the city clerk and shall be proof of posting as provided by law.

Secs. 2-100--2-110. Reserved.

## **ARTICLE VII. INDEMNIFICATION OF OFFICERS, EMPLOYEES AND COUNCILMEMBERS**

### **Sec. 2-111. Indemnification**

Any person made a party or threatened to be made a party to any proceeding by reason of the fact that said person is an officer, employee or city councilmember of Maricopa shall be indemnified by the city as hereinafter set forth.

### **Sec. 2-112. Action Other Than By or In the Right of City**

If said proceeding is one other than an action by or in the right of the city, said person shall be indemnified against his expenses, including reasonable attorney's fees, and including judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such proceeding if he acted, or his failure to act was, in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the city.

### **Sec. 2-113. Criminal Proceeding**

If said proceeding is a criminal proceeding, said person shall be indemnified if he had no reasonable cause to believe his conduct was unlawful.

### **Sec. 2-114. No Presumption Created**

With respect to indemnification under Section 2-112 or 2-113 above, a termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, by itself, create a presumption that said person acted, or failed to act, other than in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the city; and with respect to any criminal proceeding, had reasonable cause to believe that his conduct was unlawful.

### **Sec. 2-115. Action By or In the Right of City**

If said proceeding is one by or in the right of the city to procure a judgment in the city's favor, said person shall be indemnified against his expenses, including reasonable attorney's fees, but excluding judgments and fines, and, except as hereinafter set forth, amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such proceeding if he acted, or his failure to act was, in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the city.

### **Sec. 2-116. Negligence and Misconduct**

No indemnification under Section 2-115 shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the city except that such person may apply to the court in which such proceeding was brought and request a determination that such person is fairly and reasonably entitled to indemnity for such expenses when such court shall deem proper. The court in which any such proceeding was brought may determine upon application that, in view of



all circumstances of the case, indemnity for amounts paid in settlement is proper and may order indemnity for the amounts so paid in settlement and for the expenses, including attorneys fees, actually and reasonably paid in connection with such application, to the extent the court deems proper.

**Sec. 2-117. Success on the Merits**

To the extent that a person covered by this Article has been successful on the merits or otherwise in defense of any proceeding covered by this Article or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by him in connection therewith.

**Sec. 2-118. Determination by Council**

(a) Any indemnification made pursuant to this Article, unless ordered by a court, shall be made by the city only as authorized in the specific case upon a determination that indemnification of the officer, employee or councilmember is proper in the circumstances because he has met the applicable standard of conduct set forth in this article. Such determination shall be made by any of the following:

- (1) By the city council by majority vote of a quorum consisting of councilmembers who were not party to the proceeding.
- (2) If a quorum is not obtainable, then in a written opinion of independent legal counsel acquired by majority of the disinterested councilmembers for that purpose.
- (3) If there are no disinterested councilmembers, by the court or other body before which the proceeding was brought or in the court of competent jurisdiction upon the approval of an application by any person seeking indemnification, in which case indemnification may include the expenses and attorneys fees actually and reasonably paid in connection with such application.

**Sec. 2-119. Payment of Expenses in Advance**

Expenses, including attorneys fees, incurred in defending a civil or criminal proceeding may be paid by the city in advance of the final disposition of such proceeding as authorized in the manner provided in Section 2-118 upon receipt of an undertaking by or on behalf of the officer, employee or council member to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the city as authorized by this Article.

**Sec. 2-120. Indemnification Not Exclusive Remedy**

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnity may be entitled.

Secs. 2-121--2-130. Reserved.

## **ARTICLE VIII. CODE OF ETHICS <sup>16</sup>**

### **SEC. 2-131. Policy**

(a) It is the policy of the City of Maricopa to uphold, promote and demand the highest standards of ethics from its Mayor and City Council. The Mayor and the City Council shall maintain the utmost standards of personal integrity, truthfulness, honesty and fairness in carrying out their public duties, avoid any improprieties in their roles as public servants, comply with all applicable laws and never use their city position or powers improperly or for personal gain. By operating with these values, the City shall build, maintain, and enhance the trust of the public, staff and fellow Council Members. This Code of Ethics has been created to ensure that all elected officials have clear guidance for carrying out their responsibilities.

(b) All City Officials shall obey and observe the letter and spirit of the constitution and laws of the United States of America, the constitution and laws of the State of Arizona, and the code, laws and policies of the City of Maricopa applicable to City Officials, including the City's Code of Ethics.

(c) As a prerequisite for exercising any power of office, each City Official is required to read and agree in writing to comply with the provisions of these laws, regulations, policies and this Ethics Code.

### **SEC. 2-132. Definitions**

For the purposes of interpretation of this Article, the following words and phrases shall mean:

(a) *City Official* - the Mayor and members of the City Council.

(b) *Ethics Code* - the provisions set forth in this Article VIII.

Except as otherwise provided herein, the words, terms, and phrases used in this Article shall have the meanings ascribed to them in Title 38 of the Arizona Revised Statutes and the City Code, except where the context clearly indicates a different meaning.

### **SEC. 2-133. Code of Ethical Conduct**

(a) Operate in an Open, Accessible, and Transparent Manner and Adhere to All Applicable Laws At All Times

(1) The citizens of Maricopa expect and deserve open government. City Officials shall comply with all open meetings and public records laws as set forth in A.R.S. §§ 38-431 through 431.09 and §§ 39-121 through 121.03.

(2) City Officials shall conduct city business with transparency, seeking public input as advisable or appropriate, in a manner that fully adheres to and preferably exceeds state law regarding open meetings and transparency of actions and shall not circumvent the open meeting law, or the spirit of the law, by using technology, a "hub and spoke"

---

<sup>16</sup> Added Article VIII by Ordinance 13-12 Adopted on 11/05/2013

scheme, or any technique involving less than a quorum yet designed to communicate with a quorum of the public body.

(3) City Officials shall be accessible, open and conduct city business with transparency.

(b) Conflicts of Interest

(1) City Officials shall not be involved in any activity which creates a conflict of interest with their responsibilities to the City and its residents as defined by Arizona law.

(2) City Officials shall disclose and make known actual or perceived conflicts of interest as required by Arizona law.

(3) When a known conflict of interest arises, the City Official involved shall disclose the conflict as soon as reasonably practical and shall refrain from participating in any manner in the city's decision-making processes on the matter as a City Official, including voting on the matter or attending meetings with, having written or verbal communications with, or offering advice to any member of the City Council, or any city employee, contractor, agent, member of a city board, commission, committee, task force, other appointed advisory group or agency (other than the city attorney when the City Official is seeking legal advice regarding a possible conflict).

(4) During a public meeting when an agenda item in which a City Official has a conflict of interest comes up for consideration, the City Official shall state publicly that he or she has a conflict, recuse himself or herself, and leave the room while the matter is being discussed and acted upon by others on the public body.

(c) Serve Public Interests Over a Council Member's Personal Interests

(1) City Officials have the obligation to put the interests of the City of Maricopa over all personal considerations.

(2) The goal should be to balance what is in the best interest for the broadest public good of the City, consistent with constitutional and other legal protection for minority, property and other interests.

(3) City Officials shall use discretionary funds and City resources for public interest rather than personal interests.

(4) City Officials shall avoid favoritism and retribution.

(d) Undue Influence and Appearance of Impropriety

(1) No City Official shall use or attempt to use his or her official position to influence Council decisions or City staff actions in favor of individuals, organizations or companies that may directly benefit the individual City Official.

(2) Ask "Does this pass the headline test?"

(3) City Officials shall follow applicable gift policies and laws regarding disclosure and acceptance of gifts, including, but not limited to, gifts of travel, entertainment and sports/athletic activities and events.

(4) No City Official shall use or attempt to use his or her personal relationships with staff, businesses or others for inappropriate or personal benefit.

(5) City Officials shall avoid the appearance or reality of monetary gain or “quid pro quo”.

(6) No City Official shall use or attempt to use his or her official position to gain personal, professional, or financial advantage for the individual City Official or his or her direct family member. (As “direct family member” is defined in the City Code.)

(e) Professionalism and Courtesy

(1) During meetings and all public appearances, City Officials shall treat each other, speakers, invited guests, residents, businesses, staff and general public with professionalism, courtesy, respect and dignity, and shall:

- Be attentive, respectful and polite
- Avoid personal disparaging comments or references
- Focus on the action, not the individual
- Respect differences
- Be cognitive of demeanor and appearance
- Be respectful of schedules and agendas and responsive to all communications
- Be on time, prepared and ready to execute the duties and tasks of the position
- Avoid inappropriate actions and behavior that could reflect poorly upon the City or fellow City Officials

(2) At the City workplace, at any City event and at all times while representing the City, including traveling on City business, City Officials shall treat each other, staff and the general public with professionalism, courtesy, respect and dignity, and shall:

- Respect and embrace the Golden Rule (treat others as you would like to be treated)
- Be sensitive to differences in race, age, gender, disabilities, religious beliefs, political affiliation and national origin
- Strive to create an environment that is productive and free from gossip, rumors, intimidation, harassment, threats, retaliation, violence, hostility, and other adversity
- Avoid behavior and comments considered unacceptable in the workplace, such as inappropriate and demeaning comments, stories, humor and jokes
- Avoid sexual harassment, such as sexual conversations, sexual innuendos, and other comments that may be perceived as sexual in nature
- Keep personal and professional relationships separate

(f) Respect and Abide by the Council-Manager Form of Government

(1) Under the council-manager form of government, the City Council appoints a City Manager, who directs the day-to-day operations of all employees. City Officials should be sensitive to the role of the City Manager and shall not circumvent the appropriate chain of command by directing City staff.

(2) City Officials shall not interfere with the hiring, promotion, transfer, discipline, compensation or termination of any employee, other than those positions identified in the City Code that serve at the pleasure of the City Council.

(3) City Officials shall not interfere with or exert influence over the City's procurement process, except in an official capacity acting as Council as a whole.

(g) Use of City Equipment, Property and Resources

(1) City Officials shall adhere to City rules and policies on the use of City property, City logo, and City letterhead or other approved City communication tools, materials or publications.

(2) City Officials shall use City issued equipment in accordance with City policies and shall not use City equipment or facilities for private purposes, unless such use is generally available to the public.

(3) Any personal emails, faxes or use of other communications generated by the use of City equipment should be considered public information. As such, City Officials shall use City-assigned electronic mail accounts for City business only and not for personal business or for campaign purposes.

(4) City Officials shall not disclose or use executive session information or other information deemed confidential under state law without proper authorization.

(h) Communications

(1) City Officials are never "off the record" and should be mindful of communication actions that create a public record.

(2) City Officials shall qualify public comments as either the official position of Council or as a personal opinion and clarify whether Council has or has not acted on the topic (i.e., state "Council hasn't voted on this matter yet, however, I believe we should go in direction xyz").

(3) City Officials shall not make public statements or take individual actions on behalf of Council unless expressly authorized by Council.

(4) City Officials shall use all communication platforms to constructively benefit the City.

(5) City Officials shall communicate to fellow Council Members, the City Manager and/or the City Attorney any information that could negatively affect the operation or image of the City Council or the City to avoid a situation where such information is first learned from the media or outside sources.

(6) When appropriate or advisable, City Officials should notify appropriate City staff regarding all media contacts.

## **SEC. 2-134. Reporting Ethics Violations**

Council Members have a duty to report violations of the Code of Ethics or any misconduct that raises a substantial question as to a Member's integrity or fitness as a public official. Council shall serve as a committee of the whole for purposes of Code of Ethics enforcement, which includes a reasonable process for investigating complaints that affords the subject of a complaint a full and fair opportunity to be heard. The City benefits from formal and informal reporting procedures that encourage prompt resolution of grievances and concerns.

### **(a) Informal Reporting Procedures**

Before initiating the formal complaint process, a grievant should make every reasonable effort to resolve issues constructively in an informal manner, unless such efforts would be futile or inadequate to address the nature and severity of the alleged violation.

- (1) Whenever possible, a grievant should first discuss concerns with the alleged violator.
- (2) Either party may request the assistance of a neutral third-party to facilitate discussions about the complaint. Both parties must agree to use the neutral third-party.

### **(b) Formal Reporting Procedures**

A grievant may initiate the formal complaint process when informal efforts are futile, unsuccessful, or inadequate to address the nature and severity of the alleged violation. A person who knowingly makes a false, misleading, or unsubstantiated statement in a complaint may be subject to criminal prosecution for perjury and civil liability.

- (1) The grievant shall inform the alleged violator of the intent to initiate the formal complaint process.
- (2) The grievant shall submit a formal complaint to the City Manager and City Attorney within ninety (90) days from the date the grievant first became aware of the alleged violation or within one (1) year from the date of the alleged violation.
- (3) The complaint shall provide:
  - i. The name of the grievant;
  - ii. The name of the alleged violator;
  - iii. The nature of the alleged violation, including the specific provision of the Code of Ethics or law allegedly violated;
  - iv. A statement of facts describing relevant conduct and dates;
  - v. Copies of relevant documents or materials and/or a list of unavailable, relevant documents or materials;
  - vi. A list of relevant witnesses; and

vii. An affidavit stating that the information contained in the complaint is true and correct, and stating the grievant has good reason to believe and does believe that the facts alleged constitute a violation of the Code of Ethics.

(4) The City Manager and City Attorney or designee shall gather relevant facts, documents, witness statements, interview the alleged violator, and gather other information relevant to the complaint.

(5) The City Attorney or designee shall prepare a recommendation to Council.

(6) The complaint and recommendation shall be submitted to the entire Council for review at a duly convened executive session. All laws pertaining to executive sessions shall apply, including the right of the alleged violator to an open hearing.

i. Council shall review the complaint and recommendation, and consult with the City Attorney or designee to determine whether there is reasonable cause to believe a violation occurred and whether sanctions are warranted

ii. If there is reasonable cause to believe a violation occurred, the matter may be placed on a Regular Council Meeting agenda for action.

(A) A 2/3 vote of the Council (of the Members Present) at a Regular Council Meeting shall be required for a determination that a violation of the Code of Ethics has occurred.

(B) A 2/3 vote of the Council (of the Members Present) at a Regular Council Meeting shall be required for sanctions.

## **SEC. 2-135. Sanctions**

Any Council Member found in violation of this Code of Ethics may face the following sanctions:

(a) Warning

(b) Letter of reprimand

(c) Public censure by the Council, which may include:

(1) Loss of assignments;

(2) Loss of power to appoint members to City Boards, Commissions and Committees;

(3) Loss of Council discretionary funds;

(4) Loss of City-related travel privileges;

(d) A demand for non-monetary restitution (e.g., a public apology, the return of gifts); and/or



(e) A demand for reimbursement of administrative, legal, and/or investigation costs and expenses incurred in investigating and prosecuting the violation of the Code of Ethics.

Serious infractions of the Code of Ethics or other intentional and repeated conduct in violation of this Article VIII may result in other sanctions as deemed appropriate by Council. Violations of state law provisions described herein shall be punished as provided for in state law. The language used in imposing sanctions will be consistent and follow a specific format as established by the Council.

Secs. 2-136--2-999. Reserved.

## **ARTICLE IX. CODE OF ETHICS FOR BOARDS, COMMITTEES AND COMMISSIONS<sup>17</sup>**

### **SEC. 2-136. Policy**

(a) It is the policy of the City of Maricopa to uphold, promote and demand the highest standards of ethics from its Boards, Committees and Commissions. The Boards, Committees and Commissions shall maintain the utmost standards of personal integrity, truthfulness, honesty and fairness in carrying out their public duties, avoid any improprieties in their roles as public servants, comply with all applicable laws and never use their city position or powers improperly or for personal gain. By operating with these values, the City shall build, maintain, and enhance the trust of the public, staff, fellow Board, Committee and Commission Members, and the Mayor and City Council Members. This Code of Ethics has been created to ensure that all appointed Board, Committee and Commission Members have clear guidance for carrying out their responsibilities.

(b) All Board, Committee and Commission Members shall obey and observe the letter and spirit of the constitution and laws of the United States of America, the constitution and laws of the State of Arizona, and the code, laws and policies of the City of Maricopa applicable to Board, Committee and Commission Members, including this Code of Ethics.

(c) As a prerequisite for exercising any power of their appointed position, each Board, Committee and Commission Member is required to read and agree in writing to comply with the provisions of these laws, regulations, policies and this Ethics Code.

### **SEC. 2-137. Definitions**

For the purposes of interpretation of this Article, the following words and phrases shall mean:

(a) Board, Committee and Commission Members - An appointed member of a City Board, Committee, Commission or Task Force.

(b) Ethics Code - the provisions set forth in this Article IX.

Except as otherwise provided herein, the words, terms, and phrases used in this Article shall have the meanings ascribed to them in Title 38 of the Arizona Revised Statutes and the City Code, except where the context clearly indicates a different meaning.

### **SEC. 2-138. Code of Ethical Conduct**

(a) Operate in an Open, Accessible, and Transparent Manner and Adhere to All Applicable Laws At All Times

(1) The citizens of Maricopa expect and deserve open government. Board, Committee and Commission Members shall comply with all open meeting and public record laws as set forth in A.R.S. §§ 38-431 through 431.09 and §§ 39-121 through 121.03.

(2) Board, Committee and Commission Members shall conduct city business with transparency, seeking public input as advisable or appropriate, in a manner that fully

---

<sup>17</sup> Added Article IX by Ordinance 14-10 Adopted on 09/16/2014

adheres to and preferably exceeds state law regarding open meetings and transparency of actions and shall not circumvent the open meeting law, or the spirit of the law, by using technology, a “hub and spoke” scheme, or any technique involving less than a quorum yet designed to communicate with a quorum of the public body.

(3) Board, Committee and Commission Members shall be accessible, open and conduct city business with transparency.

(b) Conflicts of Interest

(1) Board, Committee and Commission Members shall not be involved in any activity which creates a conflict of interest with their responsibilities to the City and its residents as defined by Arizona law.

(2) Board, Committee and Commission Members shall disclose and make known actual or perceived conflicts of interest as required by Arizona law.

(3) When a known conflict of interest arises, the Board, Committee or Commission Members involved shall disclose the conflict as soon as reasonably practical and shall refrain from participating in any manner in the city’s decision-making processes on the matter as a Board, Committee and Commission Member, including voting on the matter or attending meetings with, having written or verbal communications with, or offering advice to any member of the City Council, contractor, agent, other members of a city board, commission, committee, task force, other appointed advisory group or agency (other than the city attorney when the Board, Committee or Commission Member is seeking legal advice regarding a possible conflict).

(4) During a public meeting when an agenda item in which a Board, Committee or Commission Member has a conflict of interest comes up for consideration, the Board, Committee or Commission Member shall state publicly that he or she has a conflict, recuse himself or herself, and leave the room while the matter is being discussed and acted upon by others on the public body.

(c) Serve Public Interests over Personal Interests

(1) Board, Committee and Commission Members have the obligation to put the interests of the City of Maricopa over all personal considerations.

(2) The goal should be to balance what is in the best interest for the broadest public good of the City, consistent with constitutional and other legal protection for minority, property and other interests.

(3) Board, Committee and Commission Members shall avoid favoritism and retribution.

(d) Undue Influence and Appearance of Impropriety

(1) No Board, Committee or Commission Member shall use or attempt to use his or her official position to influence Board, Committee or Commission decisions, Council decisions or City staff actions in favor of individuals, organizations or companies that may directly benefit the individual Board, Committee or Commission Member.

(2) Ask “Does this pass the headline test?”

(3) Board, Committee and Commission Members shall follow applicable gift policies and laws regarding disclosure and acceptance of gifts, including, but not limited to, gifts of travel, entertainment and sports/athletic activities and events.

(4) No Board, Committee or Commission Member shall use or attempt to use his or her personal relationships with staff, businesses or others for inappropriate or personal benefit.

(5) Board, Committee and Commission Members shall avoid the appearance or reality of monetary gain or “quid pro quo.”

(6) No Board, Committee or Commission Member shall use or attempt to use his or her official position to gain personal, professional, or financial advantage for the individual Board, Committee or Commission Member or his or her direct family member or business. (As “direct family member” is defined in the City Code.)

(e) Professionalism and Courtesy

(1) During meetings and all public appearances, Board, Committee and Commission Members shall treat each other, speakers, invited guests, residents, businesses, staff and general public with professionalism, courtesy, respect and dignity, and shall:

- Be attentive, respectful and polite
- Avoid personal disparaging comments or references
- Focus on the action, not the individual
- Respect differences
- Be cognizant of demeanor and appearance
- Be respectful of schedules and agendas and responsive to all communications
- Be on time, prepared and ready to execute the duties and tasks of the position
- Avoid inappropriate actions and behavior that could reflect poorly upon the City or fellow Board, Committee or Commission Members

(2) At the City workplace, at any City event and at all times while representing the City, including traveling on City business, Board, Committee and Commission Members shall treat each other, staff and the general public with professionalism, courtesy, respect and dignity, and shall:

- Respect and embrace the Golden Rule (treat others as you would like to be treated)
- Be sensitive to differences in race, age, gender, disabilities, religious beliefs, political affiliation and national origin
- Strive to create an environment that is productive and free from gossip, rumors, intimidation, harassment, threats, retaliation, violence, hostility, and other adversity
- Avoid behavior and comments considered unacceptable in the workplace, such as inappropriate and demeaning comments, stories, humor and jokes
- Avoid sexual harassment, such as sexual conversations, sexual innuendos, and other comments that may be perceived as sexual in nature
- Keep personal and professional relationships separate

(f) Respect and Abide by the Council-Manager Form of Government

(1) Under the council-manager form of government, the City Council appoints a City Manager, who directs the day-to-day operations of all employees. Board, Committee and Commission Members should be sensitive to the role of the City Manager and shall utilize the designated staff liaison for all communications.

(2) Board, Committee and Commission Members shall not interfere with the hiring, promotion, transfer, discipline, compensation or termination of any employee.

(3) Board, Committee and Commission Members shall not interfere with or exert influence over the City's procurement process.

(g) Use of City Equipment, Property and Resources

(1) Board, Committee and Commission Members shall adhere to City rules and policies on the use of City property, City logo, and City letterhead or other approved City communication tools, materials or publications.

(2) Board, Committee and Commission Members shall use City issued equipment in accordance with City policies and shall not use City equipment or facilities for private purposes, unless such use is generally available to the public.

(3) Any personal emails, faxes or use of other communications generated by the use of City equipment should be considered public information. As such, Board, Committee and Commission Members who have City-assigned electronic mail accounts shall use them for City business only and not for personal business or for campaign purposes.

(4) Board, Committee and Commission Members shall not disclose or use executive session information or other information deemed confidential under state law without proper authorization.

(h) Communications

(1) In the event of media requests or contacts, Board, Committee and Commission Members should, when appropriate or advisable, notify and seek guidance from the appropriate City staff. Board, Committee and Commission Members are never "off the record" and should be mindful of communication actions that create a public record.

(2) Board, Committee and Commission Members shall qualify public comments as either the official position of the Board, Committee or Commission or as a personal opinion and clarify whether the Board, Committee or Commission have or have not acted on the topic (i.e., state "My Board, Committee or Commission has not voted on this matter yet, however, I believe we should go in direction xyz").

(3) Board, Committee and Commission Members shall not make public statements or take individual actions on behalf of the Board, Committee or Commission unless expressly authorized by the Board, Committee or Commission.

(4) Board, Committee and Commission Members shall use all communication platforms, including social media, to constructively benefit the City.

(5) Board, Committee and Commission Members shall communicate to fellow Board, Committee or Commission Members, the City Manager and/or the City Attorney any information that could negatively affect the operation or image of the Board, Committee or Commission, City Council or the City.

## **SEC. 2-139. Reporting Ethics Violations**

Board, Committee and Commission Members have a duty to report violations of the Code of Ethics or any misconduct that raises a substantial question as to a Member's integrity or fitness as an appointed representative. Council shall serve as a committee of the whole for purposes of Code of Ethics enforcement, which includes a reasonable process for investigating complaints that affords the subject of a complaint a full and fair opportunity to be heard. The City benefits from formal and informal reporting procedures that encourage prompt resolution of grievances and concerns.

### **(a) Informal Reporting Procedures**

Before initiating the formal complaint process, a grievant should make every reasonable effort to resolve issues constructively in an informal manner, unless such efforts would be futile or inadequate to address the nature and severity of the alleged violation.

(1) Whenever possible, a grievant should first discuss concerns with the alleged violator, staff liaison and nominating Council member.

(2) It is highly recommended that either party request the assistance of staff to facilitate discussions about the complaint. Both parties must agree to speak with staff.

### **(b) Formal Reporting Procedures**

A grievant may initiate the formal complaint process when informal efforts are futile, unsuccessful, or inadequate to address the nature and severity of the alleged violation. A person who knowingly makes a false, misleading, or unsubstantiated statement in a complaint may be subject to criminal prosecution for perjury and civil liability.

(1) The grievant shall inform the alleged violator of the intent to initiate the formal complaint process.

(2) The grievant shall submit a formal complaint to the City Manager, City Attorney, or designee within sixty (60) days from the date the grievant first became aware of the alleged violation (3) The complaint shall provide:

- i. The name of the grievant;
- ii. The name of the alleged violator;
- iii. The nature of the alleged violation, including the specific provision of the Code of Ethics or law allegedly violated;
- iv. A statement of facts describing relevant conduct and dates;
- v. Copies of relevant documents or materials and/or a list of unavailable, relevant documents or materials;

- vi. A list of relevant witnesses; and
- vii. An affidavit stating that the information contained in the complaint is true and correct, and stating the grievant has good reason to believe and does believe that the facts alleged constitute a violation of the Code of Ethics.

(4) The City Manager, City Attorney or designee shall gather relevant facts, documents, witness statements, interview the alleged violator, and gather other information relevant to the complaint.

(5) The City Attorney or designee shall prepare a recommendation to Council.

(6) The complaint and recommendation shall be submitted to the entire Council for review at a duly convened executive session. All laws pertaining to executive sessions shall apply, including the right of the alleged violator to an open hearing.

- i. Council shall review the complaint and recommendation, and consult with the City Attorney or designee to determine whether there is reasonable cause to believe a violation occurred and whether sanctions are warranted
- ii. If there is reasonable cause to believe a violation occurred, the matter may be placed on a Regular Council Meeting agenda for action or direction.

#### **SEC. 2-140. Sanctions**

Any Board, Committee and Commission Member found in violation of this Code of Ethics may face the following sanctions:

- (a) Warning
- (b) Letter of reprimand
- (c) A demand for non-monetary restitution (e.g., a public apology, the return of gifts)
- (d) Removal by Council based on a majority vote;

Serious infractions of the Code of Ethics or other intentional and repeated conduct in violation of this Article IX may result in other sanctions as deemed appropriate by Council. Violations of state law provisions described herein shall be punished as provided for in state law. The language used in imposing sanctions will be consistent and follow a specific format as established by the Council.

Secs. 2-141 – 2-999. Reserved.





Office of the City Manager  
20 East Main Street, Suite 750  
P.O. Box 1466  
Mesa, Arizona 85211-1466

[www.mesaaz.gov](http://www.mesaaz.gov)  
480.644.3333

09/09

City of Mesa  
Ethics Handbook for  
Elected Officials

## *Members of the Ad Hoc Committee on Ethics*

---

**Dennis Kavanaugh**

Chairman of the Ethics Committee

Former Mesa City Councilmember, District 3

**Dan Brock**

Member, Mesa Planning and Zoning Board

**Bernard Butts**

Member, Crime Prevention Advisory Board

**Mike Hughes**

Member, Governing Board, Mesa Unified School District

**Marianne Jennings**

Director, Lincoln Center for Applied Ethics

**Wanda L. Kay**

Member, Parks and Recreation Board

**Rabbi Bonnie Koppell**

Temple Beth Shalom

**Joanie Newth**

Former Mesa City Councilmember

**Marty Whalen**

Member, City Municipal Development Corporation  
and Planning and Zoning Board

*Approved by Mesa City Council: Resolution No. 7313, dated January 19, 1999*

*Approved by Mesa voters: Primary Election, March 14, 2000*



## *Table of Contents*

---

Section I: City of Mesa Ethics Policy .....	4
Section II: Applicable Laws and Policies .....	5
A. General Character .....	5
B. Conflict of Interest .....	6
C. Legal Compliance .....	8
D. Political Activities .....	11
E. Facilities, Resources and Expenses .....	12
Section III: Procedures .....	14
A. Where to Seek Advice .....	14
B. What to Do if You Are Uncertain .....	14
C. How to Declare a Possible Conflict .....	14
D. Where to Report Improper Behavior .....	15
Section IV: Penalties and Sanctions .....	15
Section V: Adoption and Amendment .....	16

## *I. City of Mesa Ethics Policy*

---

IT IS THE POLICY of the City of Mesa to uphold, promote, and demand the highest standards of ethics from all of its officials, whether elected to City Council or appointed to advisory boards. Accordingly, all members of City boards, commissions, committees and the City Council (“elected officials and advisory board members”) shall maintain the utmost standards of personal integrity, truthfulness, honesty and fairness in carrying out their public duties, avoid any improprieties in their roles as public servants, comply with all applicable laws, and never use their City position or powers improperly or for personal gain.

The City of Mesa and its elected officials and advisory board members all share a commitment to ethical conduct in service to their community. This Code of Ethics has been created to ensure that all elected and appointed officials and advisory

<sup>1</sup> **Note:** Examples are used in certain portions of this Code and Handbook to illustrate the meaning of the text. Examples are intended to describe some situations of ethical or unethical conduct under this Code. The examples are not intended to be, and shall not be interpreted to be, the sole situation to which the text applies.

board members have clear guidance for carrying out their responsibilities.<sup>1</sup>

## *II. Applicable Laws and Policies*

### **A. General Character**

Elected officials and advisory board members are often called upon to make decisions that affect various groups and individuals adversely. Balancing diverse constituent interests is a difficult task. While someone will always be disappointed in decisions, officials shall adhere to ethical standards that eliminate disappointment borne of dishonesty, conflicts of interest, unfairness or illegality. Preservation of public trust is critical for the preservation of democracy.

A certain amount of detail is required in any code of ethics so that it serves as a clear guide. However, at the core of ethical behavior are some basic standards that officials shall use to reach a level of conduct that strives to be beyond reproach. Treating others as you would have them treat you is always a good ethical test. Another standard is to reflect on how your actions or decisions might be viewed by persons you or the public holds in high regard because of their ethical integrity.

#### **1. Honesty and Integrity.**

Honesty and integrity shall be the primary values in all issues. The public trust in the City Council and citizen boards can be a reality only when public officials are truthful.

#### **2. Fairness and Respect.**

All issues and citizens shall be handled with fairness, impartiality and respect. Elected officials and advisory board members have an obligation to treat all citizens fairly, such as by dividing time reasonably among potential speakers on an issue at a public hearing or meeting. In

reviewing, discussing and deciding issues, City Councilmembers and citizen advisory board members have an obligation to be accessible, open and direct, not only with the other members of the Council or board, but also to the citizens and business representatives who appear before them. The public is entitled to communicate with their public servants and understand the position of the Council and boards on public issues.

### **3. Effort.**

Elected officials and advisory board members have an obligation to attend meetings and to be prepared. It is expected that these officials will review the materials, participate in discussions and make an informed decision on the merits of the issue.

## **B. Conflict of Interest**

Elected officials and advisory board members must be constantly on guard against conflicts of interest. In short, elected officials and advisory board members shall not be involved in any activity which conflicts with their responsibilities to the City and its residents. The people of Mesa have a right to expect independence and fairness toward all groups without favoring individuals or personal interests.

### **1. Self-Dealing and Financial Disclosure**

Arizona conflict-of-interest laws apply to all elected officials and advisory board members, who must be consistently aware of any potential issues which may appear to be self-dealing. Officials must not be involved in discussing or deciding any issue over which they have jurisdiction as a Council or board member which may impact the member, or the member's family, financially.

It should also be noted that Councilmembers must comply



annually with the Financial Disclosure Act, as outlined in A.R.S. §§ 38-541-545.

## **2. Disclosure of and Policy on Acceptance of Gifts and Favors**

Arizona law prohibits elected officials and advisory board members from receiving anything of value or any compensation other than their normal salary for any service rendered in connection with that person's duties with the City. A.R.S. § 38-505(A).

Elected officials and advisory board members must consider ethical principles before accepting personal gifts of entertainment and sports/athletic activities.

Within two business days of receipt of the following gifts or favors in Mesa, or within two business days of returning to Mesa after receipt of a gift of favor while traveling outside of Mesa, elected officials and advisory board members shall disclose in writing to the City Clerk all gifts, benefits, or favors received from people with a financial interest in business before the City, or which may come before the City, that:

- relate to professional or collegiate sports, athletic, or entertainment activities or tickets, or
- have a face value of \$50 or more, amount subject to periodic review.

Under no circumstances shall a council or board member accept a gift or favor that is a bribe, or reflects, to a reasonable person, an effort to improperly influence the member contrary to that member's responsibility to the public to act impartially and on the merits of a matter.

When in doubt about these requirements, elected officials and advisory board members shall disclose the gift, benefit or favor. All disclosures will be kept for public record in the

City Clerk's Office.

In summary, you can follow this checklist:

- Does the gift or favor come from someone with business before the city or which may come before the city?
- And does the gift or favor exceed \$50 dollars in value, or consist of the type of sports or entertainment tickets described above?
- And did you accept the gift or favor for yourself or another?

If you answer "yes" to all these questions, then the gift or favor has to be reported to the City Clerk.

If you answer "no" to any of these questions, then the gift or favor does not have to be reported to the City Clerk unless it represents a bribe or other improper influence as described above.

Gifts having a value greater than \$50 that are donated to the city or a bona fide charity also do not need to be reported.

This section does not apply to gifts exceeding \$50 in value and intended for the City rather than as a personal gift to a Councilmember or board member. These items are City of Mesa property. Elected officials and advisory board members who receive a gift on behalf of the City exceeding \$50 in value shall promptly turn the gift over to the City Manager for public display or other appropriate handling.

### **3. Loyalty**

Elected officials and advisory board members have an obligation to put the interests of the City of Mesa over all personal considerations. Their goal should be "what is in the best interest for the broadest public good of the City of Mesa, consistent with constitutional and other legal protec-

tions for minority, property, and other interests.”

#### **4. Nepotism**

As provided in the City Charter and Personnel Rules, no relative of a sitting Councilmember may be hired by the City, and no relative of a sitting advisory board member may be hired in the City department for which that advisory board member provides guidance.

### **C. Legal Compliance**

#### **1. Meetings**

Public Access: Open Meetings and Public Records

Discussion of issues which may appear before the Council or citizen board shall be prohibited when a situation arises where a quorum of the Council or board exists. Numerous Arizona and City laws require that meetings of public bodies be open to the public and that public records be available for inspection. Open Meeting Laws are found in A.R.S. §§ 38-431 through 431.09 and in the City Charter Section 209A, and Public Records Laws are found in A.R.S. §§ 39-121 through 121.03.

#### **2. Attendance**

Attendance is outlined by the City Charter and City ordinances.

##### **a. Mayor and City Council**

The City Charter provides that five councilmembers may discipline another councilmember if he or she misses three (3) consecutive and duly noticed meetings of the City Council without good cause. Duly noticed meetings of the City Council include regular council meetings, special council meetings, study sessions, policy ses-

sions, executive sessions, budget review meetings, and council committee meetings to which a councilmember is assigned.

Through this Ethics Code, the City Council finds that personal illness, family emergencies, military absences, family weddings, family graduation exercises, and bona fide business and vacation trips constitute good cause for nonattendance at council meetings. Whether good cause exists for any other absence shall be determined by vote of the entire City Council upon request of any councilmember made within ten (10) business days following the absence. The vote shall be taken after sufficient information is received explaining the reason for the councilmember's absence.

##### **b. Boards, Commissions and Committees**

The City's attendance policy for members of boards, commissions and committees provides that, if a member fails to attend three (3) consecutive and duly noticed meetings of such groups without being excused for good cause, the City Council may declare the seat vacant and appoint a replacement.

Members of City boards, commissions and committees are expected to attend all regularly scheduled meetings and should make every effort to do so. The City Council appoints members for their experience, background and perspective in a particular policy area, and desires the benefit of knowledgeable consideration and judgment. Moreover, boards, commissions and committees cannot conduct any business unless a quorum is present. Members should notify the chairperson of the board or the staff liaison regarding any meeting missed or to be missed.

The advisory board, commission, or committee shall

decide by vote of the entire body, upon request made by any member of the body with ten (10) business days following the absence, whether the absence was for good cause or not. Advisory boards, commissions, and committees shall use the same standard for good cause as set forth above for councilmembers.

### **3. Disclosure of Confidential Information**

Arizona law provides that, during a person's employment or service with the City and for two years thereafter, no member of a City board, commission, committee or the City Council may disclose or use confidential information without appropriate authorization. The information is outlined A.R.S. § 38-504(B). For example, confidential information includes discussions during executive sessions and certain economic development information such as prospect leads.

### **4. Discrimination and Harassment**

Public decision-making must be fair and impartial and shall not be discriminatory on the basis of those protected classes, such as racial and religious groups, outlined in federal, state, and city laws and ordinances.

It is the policy of the City of Mesa that its elected officials and advisory board members conduct business and operate in a manner that is free from illegal discrimination on the basis of age, sex, color, race, disability, national origin, or religious persuasion, both internally and in the relationships of the elected officials and advisory board members with their constituencies.

In addition, it is the policy of the City of Mesa that the elected officials and advisory board members strive to cre-

ate an operating environment internally and in the relationships of the elected officials and advisory board members with their constituencies, that is productive and free from intimidation, hostility or other adversity. Harassment of any sort – verbal, physical, visual – including intentional and unwarranted actions that would constitute sexual harassment were they to occur in an employment relationship, by any elected official or advisory board member, is prohibited and is considered a violation of this Code of Ethics.

#### D. Political Activities

Elected officials and advisory board members shall not use their political or appointed office to advance private interests. The prohibited activities are outlined in City Charter sections 902(a)4 through 6. Section 205a prohibits the Mayor and Councilmember from holding other offices. Board members are also governed by the resign-to-run regulation (Ordinance 3353), which requires the board member to resign from the City board when they seek any elective public office.

Elected officials, advisory board members and candidates shall not engage in political campaigning at City meetings or within city buildings. However, nothing in this section shall prohibit an elected official, advisory board member, or candidate from participating in public forums/debates or utilizing city buildings in the same manner and to the same extent as that provided to the general public. For example, participation in candidate forums or debates sponsored by private or non-profit organizations, and attendance at non-city sponsored meetings held in city community rooms. The use of these city buildings will only be provided in the same manner and under the same terms and conditions as these facilities are made available to the general public.

They shall also not use public resources for political campaigning. For example, candidates or supporters of candidates shall refrain from circulating petitions during a City meeting and refrain from soliciting City employees to support their specific cause. Council and board members are free to express their opinions about the public issues on the agenda before them, but they must not make campaign speeches at council or board meetings touting their, or another's, candidacy, nor may they urge residents to vote for them or another, through words, signs, buttons or other means during duly noticed meetings of the City Council or its citizens advisory boards.

## **E. Facilities, Resources, and Expenses**

### **1. Expense Reports and Travel**

When traveling on City business, elected officials and advisory board members shall conduct themselves professionally as representatives of the City of Mesa. Travel guidelines for officials are outlined in the City's Management Policy 201. Officials are entitled to be reimbursed for actual and necessary expenses during travel. Expenses must be documented completely and accurately. Officials are asked to contact the appropriate City staff for assistance in travel plans and expense reports.

### **2. Use of Equipment and Facilities**

Elected officials and advisory board members shall not use City equipment or City facilities for private purposes, except to the extent that they are available to the public. A.R.S. §13-1802.

#### **a. Software Management.**

Elected officials and advisory board members shall not make, use, accept or install illegal copies of computer software, documentation, or templates. The City con-

ducts periodic audits to ensure compliance with City policies on software installed on City-owned computers.

The legality of software is ideally established by possession or accountability of the following five items: the original software diskettes, the license, the original manuals, documented evidence of purchase, or copy of the completed product registration.

b. Electronic Mail.

City-assigned electronic mail accounts shall be used only for City business or for minor personal use such as setting up medical appointments or communicating occasionally with one's family in a way that does not interfere with City business. City-assigned electronic mail accounts may not be used for personal business or for any campaign purpose.

All City-assigned electronic mail is considered official City business and must be retained in accordance with the City's records management program. In general, electronic mail communications are public records and subject to disclosure under the public records law in A.R.S. § 39-101 et. seq.

### 3. Use of Staff

Under the council-manager form of government, the City Council appoints a City Manager, who directs the day-to-day operations of all employees. Councilmembers need to be sensitive to the role of the City Manager and City staff. Councilmembers shall work through the City Manager or the City Manager's staff.

Councilmembers may ask other staff members about the status of a matter and may ask for information, but Councilmembers shall not expressly or implicitly give orders or direction to staff, except through their



participation on the City Council. They shall not try privately to influence the decisions or recommendations of staff members, but they may share information with staff.

Council and board members shall not intervene directly with staff on behalf of a particular constituent or organization on a pending matter, but shall participate with council or board colleagues in discussing and deciding policy matters for staff to carry out.

Appointed board members shall work through the staff liaisons of their board.

### *III: Procedures*

---

#### **A. Where to Seek Advice**

Questions about this Code, a conflict of interest, or other ethical problems should be presented to the City Attorney's Office (480-644-2343). If time permits, requests should be in writing to the City Attorney directly. Requests related to conflicts of interest, A.R.S. §38-507 must be kept confidential. However, official opinions of the City Attorney are required by this law to become a public record.

#### **B. What to Do if You Are Uncertain**

The existence of an ethical issue often does not arise until a meeting is underway. Rather than risk an inadvertent violation of law, the safest course of action is simply to declare that a conflict may exist that prevents an elected official or advisory

<sup>2</sup> After the City Council adopted this Ethics Code and Handbook on Jan. 19, 1999, Mesa voters approved Proposition 102 during the March 14, 2000 Primary Election. Among other things, Proposition 102 amended the Mesa City Charter to make violations of this Ethics Code and Handbook grounds for five Councilmembers to issue a letter of warning, monetary penalty, reprimand, censure, suspend, or order the forfeiture of office for any Councilmember or Citizen Advisory Board Member who violates this Code and Handbook.

board member from participating. Indeed, if there is a consistent theme to this handbook, it would be: “If in doubt, don’t.”

### C. How to Declare a Possible Conflict

If an official believes that a conflict of interest (or even a possible conflict) exists, then he or she should disclose the fact as soon as possible. For example, as soon as an elected official or advisory board member realizes that a conflict exists on a given matter, they must disclose the conflicting interest on the record for the minutes. From that point on, the official shall not participate in any manner (by discussing, questioning or voting) in that matter.

Declaring a conflict and not participating should be recognized as a necessary part of preserving public trust and should not be avoided simply because of delays or inconvenience. Indeed, officials should declare possible conflicts to avoid any appearance of impropriety.

### D. Where to Report Improper Behavior

Elected officials and advisory board members have a duty to create the image and reality of a responsive, accessible, and fair city government. Accordingly, council and advisory board members have a duty to report if another elected official or advisory board member is violating laws or ethics relating to city government, as set forth in this code and handbook. Moreover, officials shall never attempt to use their authority or influence for the purpose of intimidating, threatening, coercing, commanding or influencing any person with the intent of interfering with that person’s duty to disclose such improper activity.

If an official believes that someone else may have violated this Handbook, they may consult with the City Attorney’s Office, the City Clerk, or their colleagues.

#### *IV: Penalties and Sanctions*

---

It is the intent of the City Council to educate, and where necessary, discipline board or councilmembers who violate this Code and Handbook. Discipline shall be progressive, from the least punitive to the most punitive measures, unless the Council believes progressive discipline does not provide the appropriate sanction because of the gravity of the offense, or because the Council does not believe the sanction would deter future misconduct. In all instances, the totality of the circumstances shall be taken into consideration in resolving a matter, including the intent of the one accused of wrongdoing. This Code does not prevent informal resolution of minor infractions, such as by immediate corrective action of the possible misconduct.<sup>2</sup>

### *V: Adoption and Amendment*

---

Adoption of and amendments to this Ethics Code and Handbook shall require the affirmative vote of at least a two-third's majority of the full City Council — that is, five (5) votes. Adoption and amendment shall occur through passage of a resolution by the City Council.



CITY OF PHOENIX

# ELECTED OFFICIALS

ETHICS HANDBOOK





*Photo Credit: James Ritter*







# Table of Contents

<b>I</b>	Introduction and Overview	1-2
	A. How to Use This Handbook	
	B. Why Ethics Matter	
	C. Sources and Enforcement of City of Phoenix Ethics Policies and Laws	
<b>II</b>	Applicable Ethics Policies and Laws	3-11
	A. Definitions for City of Phoenix Ethics and Gift Policies	
	B. City of Phoenix Ethics Policy	
	C. City of Phoenix Gift Policy	
	1. Disclosing a Gift	
	2. Gift Examples	
	D. Conflicts of Interest	
	1. Conflicts of Interest	
	2. Declaring a Conflict of Interest	
	3. Examples—Conflict of Interest	
	4. Examples—No Conflict of Interest Exists	
	5. Contracts with the City	
	6. Disclosure of Confidential Information	
	7. Employment	
	E. Discrimination	
<b>III</b>	Additional Applicable Policies and Laws	13-16
	A. Public Access: Open Meetings and Public Records	
	B. Use of City Equipment, Facilities, or Personnel for Private Gain	
	C. Software Management	
	D. Electronic Mail	
	E. City of Phoenix Lobbyist Ordinance	
	1. Lobbyist Ordinance Overview	
	2. Practical Implications to Elected Officials	
	3. Disclosure Requirement	
	4. Elected Official's Reporting Obligation	
	5. Violation	
	F. Political Activity	
	G. Federal Transit Administration Standards of Conduct	
	H. Reporting of Public Funding for Public Communications	
	I. Duty to File Financial Disclosure Statement	
	J. Elected Official May Not Accept Entertainment	
	K. Procurement Ethics	

<b>IV</b>	<b>Ethics Commission</b>	<b>17-20</b>
	A. City of Phoenix Ethics Commission	
	B. Ethics Commission Rules and Procedures	
	C. Filing of Inquiry	
	D. Elected Official Participation	
	E. Consideration of Inquiry	
	F. Initial Evaluation by Commission	
	G. Ethics Commission Authority	
	H. Inquiry Report	
	I. Commission Review	
	J. Consideration of Recommendation	
	K. Sanctions	
	L. Action for Frivolous Allegations	
	M. Removal of Board Member	
<b>V</b>	<b>Penalties and Sanctions</b>	<b>21-22</b>
	A. Under City Policies and Laws	
	B. Under State Policies and Laws	
	<b>Appendix A—Applicable Ethics Policies and Laws</b>	<b>23-37</b>
	<b>Appendix B—Additional Applicable Policies and Laws</b>	<b>39-54</b>
	<b>Appendix C—Gift Disclosure Forms</b>	<b>55-57</b>

# Section I:

## Introduction and Overview

## A. How to Use This Handbook

---

City of Phoenix elected officials must comply with City of Phoenix ethics policies and laws. Although this handbook is intended as a comprehensive resource, existing laws and policies may change and new laws may be adopted that are not reflected in this handbook. This handbook does not constitute legal advice. Instead, it serves as general guidance to help individual elected officials comply with ethics laws and policies. Specific legal consequences hinge on how the law or policy applies to circumstances. Elected officials are encouraged to seek guidance to help comply with applicable ethics policies and laws. For additional general information and guidance, elected officials should contact the City Attorney's Office.

## B. Why Ethics Matter

---

Public trust in the City is built on the conduct of elected officials, employees, board members, and volunteers. Only when residents have confidence that their City elected officials, employees, board members, and volunteers will act fairly and honestly can democratic government function properly. Therefore, it is imperative that all in public service perform their duties with the highest standards of personal integrity, fairness, and honesty, and never use their City position for improper personal gain.

## C. Sources and Enforcement of City of Phoenix Ethics Policies and Laws

---

Although City ethics policies and laws stem from several sources and standards, three significant policies and laws establish City ethics standards:

1. The City of Phoenix Ethics Policy, Phoenix City Code Section 2-52;
2. The City of Phoenix Gift Policy, also found in Phoenix City Code Section 2-52; and
3. Arizona law for conflicts of interest as adopted by Phoenix City Charter Chapter XI and found in Arizona Revised Statutes Title 38, Chapter 3, Article 8.

Violations of these ethics policies and laws by elected officials and board members are enforced through the City of Phoenix Ethics Commission. Violations of these ethics policies and laws by employees and volunteers are enforced through the City Manager. Although each of these policies and laws are generally uniform as applied to all in public service, some differences exist, and therefore, elected officials, employees, board members, and volunteers should look to guidance that applies to their specific public duty and role.

# **Section II:**

## **Applicable Ethics Policies and Laws**

## A. Definitions for City of Phoenix Ethics and Gift Policies

The following definitions apply to this section. The plural of the word or phrase includes the singular, and the singular includes the plural.

1. **“Board Member”** means a member, or the person’s relative or partner, of a City of Phoenix board, committee, commission, or task force.
2. **“City Business”** means an activity or enterprise for gain, benefit, advantage, or livelihood with a public entity, a research organization, a regulatory body, a business association, or a professional association, whose primary purpose relates to research, rulemaking, development, best practices, or regulations that affect or relate to the City of Phoenix.
3. **“Community Event”** means an event, activity, or function located in Arizona and sponsored by the City of Phoenix, a non-profit organization, a professional association, a business association, a charitable organization, a cultural/arts organization, or a community organization.
4. **“Compensation”** means money, a tangible thing of value, or a financial benefit.
5. **“Elected Official”** means a person, or the person’s relative or partner, elected or appointed as mayor or as council member of the City of Phoenix.
6. **“Employee”** means a person, or the person’s relative or partner, who is not an elected official, board member, volunteer, or City of Phoenix Municipal Court Judge, and who is employed full-time or part-time by the City of Phoenix.
7. **“Gift”** means direct or indirect compensation, other than as provided by law, for services, duties, or responsibilities rendered or to be rendered by a person in their capacity as an elected official, employee, board member, or volunteer.

### **Gift does not mean:**

- a. Compensation received by an elected official, board member, or volunteer as part of the person’s employment outside of the City of Phoenix or as part of the person’s service as a member of a board of directors for a corporation or other elective office, and which compensation is unrelated to the person’s position or office as an elected official, board member, or volunteer; or
- b. A political campaign contribution as permitted by law; or
- c. Compensation received by an elected official, employee, board member, or volunteer from the person’s relative or partner; or
- d. Compensation in the form of a personalized plaque or similar personalized award received by an elected official, employee, board member, or volunteer for the person’s service to the City of Phoenix consistent with the duties and responsibilities of the person’s position or office; or
- e. Compensation in the form of admission, food, beverages, transportation, or accommodations received by an elected official or employee in the capacity as a City of Phoenix representative and related to city business; or
- f. Compensation associated with a relative’s or partner’s elective office; or
- g. Compensation in the form of admission, food, or beverages received by an elected official, employee, board member, or volunteer to attend a community event.

8. **“Partner”** means a person in a domestic partnership as defined in Phoenix City Code Section 18-401.
9. **“Relative”** means the spouse, child, grandchild, parent, grandparent, brother or sister of the whole or half blood and their spouse, and the parent, brother, sister, or child of a spouse as defined in P.C.C. Section 2-52(A).
10. **“Special occasion”** means an engagement or wedding involving a relative, partner, or relative of a partner, the birth or adoption of a child, or the death of a relative, partner, or relative of a partner.
11. **“Volunteer”** means a person, or the person’s relative or partner, other than an elected official who provides their services to the City of Phoenix without any express or implied promise of compensation, and serves as a hearing officer, intern, extern, contractor, vendor, or otherwise serves in the administrative offices of an elected official, the City Manager, or a City of Phoenix department or function head. A block watch captain is not a volunteer for purposes of the gift policy.

## B. City of Phoenix Ethics Policy

It is the policy of the City of Phoenix to uphold, promote, and demand the highest standards of ethics from all of its elected officials, employees, board members, and volunteers. Accordingly, all City of Phoenix elected officials, employees, board members, and volunteers must maintain the utmost standards of personal integrity, truthfulness, honesty, and fairness in carrying out their public duties, avoid any improprieties in their roles as public servants, and never use their City position or power for improper personal gain.

**Comment:** The proper operation of municipal government requires that all elected officials remain independent, impartial, and responsible only to the public. Elected officials hold office for the public’s benefit, and must uphold the United States and Arizona Constitutions, and the laws of the State of Arizona and the City of Phoenix. In official acts, elected officials are bound to observe the highest standards of integrity, and discharge faithfully the duties of their office or position, regardless of personal considerations, recognizing that the public interest must be their primary concern. Democratic government can function properly only when the citizenry has confidence in how its government is run.

## C. City of Phoenix Gift Policy

A gift in any amount received by an elected official, employee, board member, or volunteer is prohibited if the gift creates the appearance of undue influence, or if the gift creates a conflict of interest under Phoenix City Charter Chapter XI, Section 1 (Title 38, Chapter 3, Article 8, Arizona Revised Statutes).

### Gift less than \$50:

A gift with a known or reasonably estimated fair market value of \$50 or less received by an elected official, employee, board member, or volunteer is permissible if the gift is not otherwise prohibited by law. Elected officials are not required to disclose gifts with an estimated fair market value of \$50 or less.

### Gift more than \$50:

A gift with a known or reasonably estimated fair market value greater than \$50 received by an elected official or employee is permissible if the gift is not otherwise prohibited by law and if the gift is disclosed by the recipient of the gift as described in C.1. A gift with an unknown value should be disclosed as “unknown” if a reasonable estimate of the gift’s fair market value is greater than \$50.



**Comment:** Elected officials should not accept any gifts (monetary or otherwise, such as a service, loan, thing or promise), gratuities, or favors from anyone other than the City for the performance of acts within the regular course of official duties. Elected officials should refuse any gifts or favors that reasonably may be interpreted to be offered to influence a municipal decision. Compensation for performing public duty is limited to salaries, fringe benefits, and any personal satisfaction that elected officials may derive from doing a good job. While elected officials are the first to decide whether to accept any gift, elected officials must recognize that others will decide if there is any appearance of impropriety for the elected official's acceptance of the gifts. Finally, elected officials should be wary of accepting any gifts or benefits from individuals doing business with the City or whose financial interests are affected by City action.

## 1. Disclosing a Gift.

Elected officials who accept a gift with a known or reasonably estimated fair market value of more than \$50, regardless of the form of the gift (meal, travel, attendance at a conference, etc.), must disclose the gift by completing a gift declaration form (available at: [phoenix.gov/ethics](http://phoenix.gov/ethics); a copy of which is attached at Appendix C). The filing must occur no later than 30 days after the close of the quarter in which the gift is received. All such disclosures will be maintained for public viewing on the City's website.

## 2. Gift Examples.

Because of the size and complexity of the City, it is impossible to list every circumstance that may occur to determine if a gift is permissible. Generally, several factors apply to determine if a gift creates the appearance of undue influence:

- the source of the gift;
- the setting in which the gift is received; and
- the motive for the gift.

For example, a gift from a source such as a vendor that does business, has contracts, or is regulated by the City is of greater concern than a gift from an entity with little or no relationship to the City.

The setting in which a gift is received may also affect the appearance of undue influence. For example, an elected official's acceptance of a one-on-one dinner with a City vendor who has business before the Council is perceived differently than an elected official's acceptance of a dinner at no cost as part of a conference presented by the vendor in a group setting.

Finally, the motive for a gift is an important consideration. Motive can be determined by circumstances such as custom or prior established personal relationships. For example, a gift received by an elected official at an occasion, such as a wedding involving a friend, when such gifts are customary, is less likely to create the appearance of undue influence.

The following examples apply to elected officials, their relatives, and their partners.

### a. Gifts from Persons with Business before the Council.

Elected officials should not accept a gift from a contractor, consultant, vendor, person or entity regulated by the City, or other person who has or will soon have business before the Council. Examples of such gifts include cookies, bouquets, candy, alcohol, money (in any form), gift certificates, or gift cards. A greeting card is not a gift and may be

kept by an elected official who receives it. Gifts such as cookies, snacks, or candy may be accepted by an elected official from a person or entity who does not currently have or will not soon have any business before the Council if the gift is disclosed as required (fair market value reasonably estimated to exceed \$50) and if the gift is made available to all members to share.

**b. Tickets or Admission to Entertainment, Sports/Athletic, or Cultural Events.**

Elected officials should not accept or keep tickets to entertainment, sports/athletic, or cultural events offered by a person who is compensated to influence Council action unless the tickets are incidental to a speaking engagement. A speaking engagement means an elected official's participation in an event for the purpose of presenting information related to the elected official's duties or performing a ceremonial function appropriate to the elected official's position. See Arizona Revised Statutes, Sections 41-1231(21) and 41-1232.08.

Elected officials should not accept or keep any other entertainment, sports/athletic, or cultural event tickets under any circumstances from a person who has or soon will have business before the Council. Additionally, elected officials may not accept tickets to entertainment, sports/athletic, or cultural events despite a charitable donation made by the elected official for the value of the tickets.

**c. Meals and Refreshments.**

Elected officials should avoid accepting a gift of food or refreshment where it creates the appearance of undue influence or if it creates a conflict of interest. For example, elected officials should not accept the gift of a one-on-one meal with a consultant who has pending business before the Council, or reasonably will soon have business before Council, or who is involved in an on-going procurement.

Subject to disclosure requirements, elected officials may, however, accept meals or refreshment at an event to celebrate the completion of a project or where the meals and refreshments are generally available to all persons attending the event.

**d. Admission, Food, Beverages to Attend Community Events; Incidental Items.**

Elected officials may attend and consume food and beverages offered at community events as part of their responsibilities and duties. Elected officials are not required to disclose the admission, food, and beverage amounts at community events. Elected officials may also accept incidental items received at community events, such as a coffee mug, t-shirt, or pen, but must disclose incidental items when it's reasonable estimated fair market value exceeds \$50 (individually or collectively).

**e. City-sponsored Events.**

Elected officials may attend and consume food and beverages offered at City-sponsored events such as the annual Martin Luther King Jr. breakfast and the Mayor's State of the City speech. Elected officials are not required to disclose the gift amounts for admission, food, and beverages at City-sponsored events.

**f. Elected Officials' Participation in Conferences, Events, or Activities Involving City Business; Incidental Items.**

Elected officials may accept admission, food, beverages, transportation, and accommodations as a guest of another person or organization when the elected official serves as a City representative at a conference, event, or activity related to City business. These amounts do not require disclosure. Elected officials may accept incidental items, such as coffee mugs, t-shirts, or pens, but must disclose incidental items whose fair market value exceeds \$50.

**Special Occasion Waiver.** Elected officials may seek a waiver from the Ethics Commission to accept a gift that recognizes the special occasions listed in Section II(A)(10) but may otherwise violate the City's ethics or gift policies. If the special occasion gift waiver is approved by the Ethics Commission, the elected official must file the waiver form with the City Clerk no later than 30 days after the close of the quarter in which the waiver is granted.

**Comment:** Elected officials are not required to obtain a waiver to accept normal and customary gifts such as flowers, food, or donations to charitable organizations made by others that recognize the special occasions listed in Section II(A)(10).

## D. Conflicts of Interest

### 1. Conflicts of Interest.

The City has adopted Arizona's conflict of interest laws under Phoenix City Charter, Chapter XI, Section 1. The full text of these statutes appears in Appendix A.

**Comment:** Elected officials must be constantly on guard against conflicts of interest. In short, elected officials should not participate in a decision or contract that may result in a direct or indirect, monetary benefit to the elected official or the elected official's relative or partner.

### 2. Declaring a Conflict of Interest.

If an elected official determines the official has a conflict of interest on a matter being considered by Council, the official should work with the Law Department to file a conflict form with the City Clerk, declare the conflict on the record at the Council meeting, and refrain from voting or otherwise participating in the matter. See Arizona Revised Statutes, Section 38-503(A) (reprinted at Appendix A).

### 3. Examples-Conflicts of Interest.

The following examples help give elected officials an idea how Arizona's conflict of interest laws apply. Each situation will be decided on the unique facts and circumstances involved. The goal of these examples—and indeed this entire handbook—is to help develop greater sensitivity to ethical considerations. **If an elected official is in doubt of what should be done, opt not to participate.** All examples assume the matter will come before the Council for consideration.

#### a. Owns Property in Close Proximity.

Elected official (or relative) owns property in close proximity to property subject to Council's approval of a zoning or license application that may affect the value of the elected official's property.

#### b. Worked Previously for Firm.

Elected official (or relative) has done work in the past for a firm that seeks a City contract and the elected official anticipates doing further work for the firm in the future. A potential conflict exists regardless of whether the work involves the matter that is the subject of the contract. (However, mere past association does not of itself constitute a conflict if the business relationship is not a continuing one.)

#### c. Corporate Officer of Competitor.

Elected official (or relative) is an officer of a corporation that operates a chain of stores. An application by a competitor seeks zoning approval for a store within the service area of one of the stores owned by the elected official's corporation.

#### d. Developer.

The elected official (or relative) is a developer who files an application for approval of a project. Not only must an elected official declare a conflict and disqualify oneself from consideration of the application, the elected official also may not participate in any manner.

**e. Realtor Listing Agreement.**

The elected official (or relative) is a realtor who has had discussions concerning a listing agreement with an owner of a property that is the subject of a zoning application. If the elected official wishes to pursue the agreement, the elected official should declare the conflict and refrain from considering the application. If the elected official participated in consideration of the matter, the elected official should not later enter the listing agreement.

**f. Owner of Regulated Business.**

A proposed amendment to the City Code seeks to regulate a specific type of business activity. The elected official (or relative) has an exclusive or specific right to conduct the activity in the City.

**g. Property Uniquely Affected by Land Use Plan.**

The elected official (or relative) has an interest in property that will be uniquely affected by a proposed land use plan, and the adoption of the plan could affect the value of the property (e.g., the plan confers special benefits on the property that are not applied to other similarly situated properties).

**h. Contract of Close Relative.**

The close relative of an elected official is in business with a person whose application or contract is being considered by the Council.

**i. Source of More Than 5% Income.**

The elected official (or relative) receives more than 5% of the official's total annual income from a corporation that has an application or a contract pending before the Council.

**j. Seeks a Contract with the City.**

Elected official (or relative) is prohibited from contracting with the City unless the contract is awarded through competitive bidding. The elected official must declare the conflict and

refrain from participating in the decision to award the contract.

**k. Employee of Organization Receiving Funds.**

The elected official (or relative) is a paid employee of an organization that receives funds appropriated by the City Council, including federal and state funds administered by the City.

**4. Examples-No Conflict of Interest Exists.**

Following are illustrative examples of situations that do not constitute violations of the conflict of interest laws. Again, all examples assume that Council will review the matter in question.

**a. Trade Association Member.**

The elected official (or relative) is a member of a trade association that has applied for an amendment to the City Code presented to Council for decision.

**b. Owns Property Within Area of Land Use Plan.**

The elected official (or relative) owns a property in an area that is included in a proposed land-use plan presented to Council for decision (unless that plan would uniquely affect the property of the elected official).

**c. Nonsalaried Corporate Officer.**

The elected official (or relative) is the nonsalaried officer of a nonprofit corporation that has an application presented to Council for decision.

**d. Tenant of Property Owner.**

The elected official is a tenant of a property owner who seeks a City contract (unless the contract affects the monetary or property interests of the elected official).

**e. Attorney for Property Owner.**

The elected official is the attorney for a contracting party (if the elected official's legal representation does not include the contract).

**f. Owns Less Than 3% Corporation's Shares.**

The elected official owns less than 3% of the shares of a corporation that has an application under consideration by Council. The elected official does not have a conflict if the total annual income from dividends, including the value of stock dividends from the corporation, does not exceed 5% of the total annual income of the elected official and any other payments made to the official by the corporation do not exceed 5% of the official's total annual income.

**g. Advocate For or Against Matter.**

The elected official is an advocate for or against a matter before Council and has publicly stated the official will or will not support the matter (unless the matter will affect the monetary or property interest of the elected official).

## 5. Contracts with the City.

Arizona law prohibits any elected official who has "a substantial interest in any contract, sale, purchase or service to such public agency" from participating in any way with the transaction. See Arizona Revised Statutes Section 38-503(A) (reprinted in Appendix A). Also, Arizona law has a flat prohibition against anyone officially representing the City from providing certain goods and services to the City without competitive bidding. See Arizona Revised Statutes, Section 38-503(C). Two other statutes prohibit the personal involvement of municipal and public officers in housing or redevelopment projects. See Arizona Revised Statutes Sections 36-1406 and 36-1477.

**Comment:** As with other conflicts of interest, any elected official under these circumstances must (i) make known the substantial interest involved and (ii) refrain from voting on or otherwise participating in the transaction or the making of the contract or sale. Also, an elected official cannot provide certain goods and services to the

City—even if the official does not participate in the process—unless a competitive bidding process is used. Other prohibitions may apply if federal funds are involved.

## 6. Disclosure of Confidential Information.

Arizona law provides that during a person's employment or service with the City and for two years after, no elected official may disclose or use confidential information without appropriate authorization. See Arizona Revised Statutes, Section 38-504(B) (reprinted in Appendix A).

**Comment:** Elected officials often have access to important non-public information regarding the property, operations, policies, or affairs of the City. This information may concern real estate transactions, expansion of public facilities, or other City projects. The leak of this inside information may benefit a few at the expense of a possible monetary loss to the City and a deterioration of public confidence. If an elected official is aware of confidential information, the official should not disclose the confidential information to anyone outside the City and should disclose it to other public employees only if appropriate.

## 7. Employment.

- a. Incompatible Employment.** Elected officials may be otherwise employed so long as it does not interfere with their service commitments to the City.

**Comment:** It is the City's expectation that elected officials will refrain from accepting employment or rendering service for private interests when the employment or service is incompatible with the proper discharge of their official duties, may impair their independent judgment, or may impair the elected official's performance of their duties.



- b. Representing Private Interests before City Agencies.** Elected officials may be otherwise employed after leaving office if the employment does not interfere with any on-going duties to the City (for example, disclosure of confidential information).

**Comment:** For 12 months following an elected official's service with the City, Arizona law prohibits elected officials from representing another person for compensation before a public agency concerning any matter in which the elected official was directly concerned and personally participated by a substantial and material exercise of administrative or legislative discretion. See Arizona Revised Statutes, Section 38-504(A) (reprinted in Appendix A).

- c. Employment of Relatives.** Arizona law prohibits elected officials' involvement in the appointment, hire, or supervision of relatives. See Arizona Revised Statutes, Section 38-481 (reprinted in Appendix A).

**Comment:** The hire and supervision of a relative is a special type of a conflict of interest that must be avoided.

- d. Discussion of Future Employment.** An elected official should disclose possible future employment to the City Attorney's Office if the official has been offered, or is discussing future employment, with a person, firm, or any other entity that conducts business with the City.

**Comment:** Elected officials should be aware that they are vulnerable to offers of future employment in exchange for favors or information obtained through their positions.

## E. Discrimination

Chapter XI, Section 2 of the City Charter provides: "No person shall be appointed to, removed from or in any way favored or discriminated against with respect to any City position because of race, color, ancestry, national origin, sex, political or religious opinions or affiliations."

**Comment:** Public decisions must be fair and impartial. The City strives to serve the public and the workforce in a productive manner, free from intimidation or hostility. The equality of opportunity both to enter public service, besides being the object of various federal, state and local laws, is a central factor to achieve efficient public service. Every consideration, treatment, advantage, or favor should be equally available to all residents and constituents. It is our shared responsibility to help create an environment where all members, employees, and residents are respected and valued. As such, the City prohibits persons and organizations from refusing to hire or promote any person or discriminate against any person in compensation, conditions, or privileges of employment based on their race, color, ancestry, national origin, sex, religion, age, disability, sexual orientation, or gender identity or expression ("protected characteristics"). Persons and organizations are therefore prohibited from denying service(s) to any persons based on their protected characteristics. Every consideration, advantage, or favor should be equally available to all residents.

Additionally, those who do business with the City, either as a contractor or subcontractor, must not discriminate against any worker, employee, or applicant, or any member of the public, because of race, color, religion, sex, national origin, age or disability. A contractor or subcontractor with more than 35 employees, is also prohibited from discriminating against any worker, employee, or applicant, or any member of the public because of sexual orientation, gender identity, or gender expression.





# **Section III:**

## **Additional Applicable Laws and Policies**

## A. Public Access: Open Meetings and Public Records

Numerous Arizona and City laws require the meetings of public bodies to be open to the public and public records must be available for inspection. See Open Meetings Laws (Arizona Revised Statutes, Sections 38-431 through 431.09 and City Charter, Chapter IV, Section 5) and Public Records Laws (Arizona Revised Statutes, Sections 39-121 through 121.03 and City Charter, Chapter IV, Section 21, reprinted in Appendix B).

**Comment:** Arizona statute requires that meetings of public bodies be conducted openly. Also, Arizona law allows broad access to public records. Open government gives the public confidence that public affairs are performed properly. Brochures are available at [phoenix.gov/cityclerk/services/boardsandcommissions/open-meeting-law](http://phoenix.gov/cityclerk/services/boardsandcommissions/open-meeting-law).

## B. Use of City Equipment, Facilities or Personnel for Private Gain

Elected officials should not use City facilities, equipment, personnel, or supplies for private purposes, except to the extent the facilities, equipment, personnel, or supplies are lawfully available to the public.

**Comment:** Public respect for government is weakened when City-owned facilities and equipment are used by elected officials for personal gain. City office supplies, work materials, vehicles and equipment are to be used only for City work. Taking City goods for private use is not a “fringe benefit”; it is stealing. See Arizona Revised Statutes

Section 13-1802. Also, it is improper (and maybe unlawful) for supervisors to use subordinates for their personal benefit. Finally, an elected official should avoid waste of public supplies and equipment.

## C. Software Management

An elected official should not make, use, accept, or install illegal copies of computer software, documentation, or templates.

Examples of software copyright violations are:

- a. Installing a single-user copy of a software program on several computers;
- b. Allowing six or more employees to concurrently use a five-user licensed LAN software package;
- c. Borrowing a copy of a single-user licensed program without that person removing it from their computer for the duration of the loan;
- d. Loaning a person a copy of a single-user licensed software program as an evaluation copy without removing it from your computer for the duration of the evaluation; and
- e. Making more backup copies of the software than allowed in the license agreement. The City Auditor Department conducts periodic audits to insure compliance with City policies on software.

## D. Electronic Mail

Electronic mail systems, including the internet, should be used only for City business unless otherwise authorized. All electronic mail is considered official City business and must be retained for a minimum of 90 days and in many cases longer, in accordance with the State's record retention schedule. In general, electronic mail communications are public records and subject to disclosure under the Arizona Public Records Act, Arizona Revised Statutes, Sections 39-101 and following.

**Comment:** The City will not read electronic message content as a routine matter, but reserves the right to do so without prior notification. The City may electronically scan email messages for the presence of specific content such as viruses or passwords and to maintain system integrity.

## E. City of Phoenix Lobbyist Ordinance

### 1. Lobbyist Ordinance Overview.

There are two important definitions to understand regarding the lobbyist ordinance: *lobbying* and *lobbyist*. Lobbying means communication by a lobbyist with any City official to influence official action. Lobbyist means any person who is compensated to lobby for a person other than himself. See Phoenix City Code Section 2-1000. Generally, the lobbyist ordinance requires a lobbyist to register with the City of Phoenix when lobbying a City official, which includes elected officials. The ordinance includes eight specific exemptions from the registration requirements. See Phoenix City Code, Section 2-1002. Registration as a lobbyist triggers quarterly disclosure requirements for expenditures made by the lobbyist related to a City official, including an elected official. A lobbyist's contributions to an

elected official's campaign or when a lobbyist solicits a contribution that results in an actual contribution to the campaign must also be disclosed quarterly. There is no requirement that lobbyists must document their meetings with individuals such as an elected official; a lobbyist registration is sufficient.

### 2. Practical Implications to Elected Official.

It is not the elected official's responsibility to determine a person's status as a lobbyist. All the obligations rest solely on the lobbyist. However, providing this information about the City Clerk website is a quick and efficient way to help an individual make this determination.

### 3. Disclosure Requirement.

When a lobbyist communicates with an elected official in the lobbyist's capacity as a lobbyist, the lobbyist must disclose this capacity to the elected official. Most lobbyists who lobby at the State level are familiar with this requirement because disclosure is also required at the State level.

### 4. Elected Official's Reporting Obligation.

All obligations imposed by the lobbyist ordinance rest solely on the lobbyist. The ordinance does not impose any obligations on an elected official. If an elected official wishes to confirm if a person or entity is registered to lobby, this information is easily accessible on the City Clerk's website, which lists registered lobbyists and entities. If an elected official wishes to report a person who may be in violation of the ordinance, the elected official should contact the City Clerk's office.

### 5. Violation.

A lobbyist has five days to register after initially lobbying a City official. If the lobbyist fails to register within this period, the City will issue a letter that requests the lobbyist cure the violation within 15 days. If the violation is cured within the 15 days, no further action is taken. However, if the violation remains uncured on the 15th day by 5 p.m., the information is forwarded to the appropriate authority for possible enforcement.

## F. Political Activity

---

The Charter prohibits elected officials from soliciting or receiving, directly or indirectly, contributions from City employees to the official's campaign for City elective office. In addition, Phoenix City Code Section 12-1503 prohibits elected officials from using any campaign funds for one's personal use (reprinted in Appendix B).

## G. Federal Transit Administration Standards of Conduct

---

Elected officials must comply with the Federal Transit Administration's (FTA) prohibition on real or apparent conflicts of interests when awarding contracts supported by FTA funds. A conflict of interest arises when any of the following persons has a financial or other interest in the firm selected for award: (i) an elected official; (ii) any member of an elected official's immediate family; (iii) an elected official's partner; or (iv) an organization that employs, or is about to employ, any of the above.

## H. Reporting of Public Funding for Public Communications

---

Elected officials must comply with state statute, Arizona Revised Statutes, Section 18-303, (reprinted in Appendix B). The statute requires reporting all public expenditures used for communications promoting an elected official using that person's name or likeness other than: (1) communications required by law and (2) activities conducted in the normal course of operations.

## I. Duty to File Financial Disclosure Statement

---

Elected officials must file a financial disclosure statement with the Secretary of State no later than January 31 each year, or, if appointed to fill a vacancy, within sixty days of taking office. For a detailed list of items to be included in the disclosure, please refer to Arizona Revised Statutes, Section 18-444 (reprinted in Appendix B).

## J. Elected Official May Not Accept Entertainment

---

Elected officials should not accept tickets for entertainment, sports/athletic, or cultural events from a person who is compensated to influence procurement or legislative decision-making that will come before the Council unless the entertainment is incidental to a speaking engagement. See Arizona Revised Statutes, Section 41-1232.08 (reprinted in Appendix B).

## K. Procurement Ethics

---

Elected officials must not represent any person or business for compensation related to any part of a City procurement, including any resulting contract, during the elected official's term of office or where the elected official played a material and significant role in the development of the solicitation, any other part of the procurement, or the contract award. Phoenix City Code Section 43-34.

Beginning on the date a solicitation is published and continuing until the contract is awarded or the solicitation is canceled, potential or actual proposers (including their representatives) may only discuss the solicitation with elected officials in a public meeting posted under Arizona law. Phoenix City Code Section 43-36.

# Section IV:

## Ethics Commission

## A. City of Phoenix Ethics Commission

---

The Phoenix City Code establishes the City of Phoenix Ethics Commission (Section 2-53). The Ethics Commission consists of five members who each serve a term of five years unless otherwise specified. Two Commission members must be registered members of the Democratic Party, two Commission members must be registered members of the Republican Party, and one Commission member must be registered with no party affiliation. All members must be Phoenix residents and must not be elected officials, precinct committee persons of a political party, or City employees. A member may not serve more than one full term. One Democratic member, one Republican member, and the unaffiliated member will each serve a full initial term. One Democratic member and one Republican member will each serve a three-year initial term. Each Commission vacancy must be filled by a candidate recommended by the Judicial Selection Advisory Board and approved by the City Council. See Phoenix City Code Section 2-96.

## B. Ethics Commission Rules and Procedures

---

The City Manager will prepare initial rules and procedures for the Commission's investigation and enforcement of an ethics or gift violation. All violations must be approved by an affirmative vote of four Ethics Commission members and an affirmative vote of seven council members. These rules and procedures must address the process and procedures for the Ethics Commission to initiate proceedings, conduct the initial evaluation and investigation, proceed with a formal hearing after investigation by

the Ethics Commission, if necessary, and recommend action, if necessary, to Council related to an alleged ethics or gift violation. By an affirmative vote of four members, the Ethics Commission may refer changes to the initial Ethics Commission rules and procedures to the City Manager for review and recommendation to City Council. Any changes to the initial Ethics Commission rules and procedures must be approved by an affirmative vote of seven City Council members.

## C. Filing of Inquiry

---

Any person who is a Phoenix resident or who is directly aggrieved by an act or the failure to act of an elected official or board member may file with the City Clerk a written inquiry containing specific allegations of violations of the City's ethics or gift policy by any elected official or board member.

## D. Elected Official Participation

---

Elected Officials must not participate in any discussion or vote in any inquiry involving their own acts or failure to act except to respond to or defend against any inquiry.

## E. Consideration of Inquiry

---

Within five days of receiving the inquiry, the City Clerk will forward the inquiry to the Ethics Commission and the inquiry will be placed on the agenda of the Commission's next available meeting.

## F. Initial Evaluation by Commission

Each inquiry received by the Ethics Commission will be initially evaluated by the Commission to determine by the affirmative vote of four members if the allegations in the inquiry:

1. Are within the Ethics Commission's jurisdiction and are facially sufficient in whole or in part to warrant additional evaluation or investigation; or
2. Are outside of the Ethics Commission's jurisdiction or facially insufficient to warrant investigation, and therefore, dismiss the inquiry. The Ethics Commission's dismissal of the inquiry is not subject to review; or
3. May involve a crime, in which case the Ethics Commission must refer the inquiry to the proper authority for investigation and prosecution. If the Ethics Commission refers the inquiry to another authority for criminal investigation or prosecution, the Ethics Commission must stay all action related to the inquiry until the criminal investigation and any related proceedings are resolved; or
4. Are not well grounded in law or fact and are interposed for an improper purpose, such as to harass or cause unnecessary delay or expense to the elected official or board member. The Ethics Commission may recommend that the City Council impose a civil sanction in the maximum amount of \$500 against the person or entity for each frivolous inquiry. If the Ethics Commission fails to decide by unanimous or the affirmative vote as required in subsections (1) through (4), the inquiry is deemed closed.

## G. Ethics Commission Authority

Upon a determination that an inquiry warrants additional evaluation or investigation, the Ethics Commission is authorized to investigate, take testimony, and engage in any other action to the extent permitted by law to oversee the investigation and enforcement of the ethics or gift policy related to an elected official or board member. The Ethics Commission may appoint an independent investigator as may be necessary to assist the Ethics Commission in carrying out its purpose and responsibilities. In addition, the Ethics Commission may issue advisory opinions regarding ethics and gift policy issues upon request by an elected official or board member, and make recommendations to the City Council.

## H. Inquiry Report

After the conclusion of any hearing or fact finding related to an inquiry alleging a violation of the City's ethics or gift policy by an elected official or board member, the investigator will prepare a written report with findings of fact and recommendations. The report will be provided to the Ethics Commission for such action as the Ethics Commission deems appropriate. The report will not be available for public inspection under the Arizona Public Records Act until after final action by the Ethics Commission.

## I. Commission Review

The Ethics Commission may review and discuss the inquiry and the report in executive session as permitted by law. In public session, by the affirmative vote of four members the Ethics Commission may recommend to the full Council to sustain the alleged violations in whole or in part, to impose sanctions, if any, permitted by this section, or to dismiss the inquiry. If there are less than four votes to make a recommendation to the full City Council or to dismiss the inquiry, then the inquiry is deemed closed.



## **J. Consideration of Recommendation**

---

A recommendation from the Ethics Commission related to an inquiry will be placed on the agenda of the next available meeting of the full City Council. By the affirmative vote of seven members the City Council may accept the Ethics Commission recommendation in whole or in part, impose the same or different sanctions, if any, as permitted by this section, or dismiss the inquiry. If there are less than seven votes to accept the Ethics Commission's recommendation in whole or in part, or to dismiss the inquiry, the inquiry is deemed closed.

## **K. Sanctions**

---

By an affirmative vote of seven members, the City Council may impose any of the following actions or civil sanctions for a violation of the ethics or gift policies by an elected official or board member: censure, a maximum civil sanction in the amount of \$500 for each violation, or removal from office if the violation relates to a board member. Phoenix City Code Section 1-5 does not apply to action under this subsection. The penalties and remedies provided in Title 38, Chapter 3, Article 8, Arizona Revised Statutes, may apply and may be enforced as provided by law.

## **L. Action for Frivolous Allegations**

---

Upon a finding and recommendation by an affirmative vote of four members of the Ethics Commission and by an affirmative vote of seven members of the City Council, the City Council may direct the City Manager through the City Attorney to file a complaint in municipal court against a person, or other entity recognized by law, for the filing of allegations of ethics or gift violations that are not well grounded in law or fact and are interposed for an improper purpose, such as to harass or cause unnecessary delay or expense to the elected official or board member. A person found liable for violating this section by a preponderance of the evidence may be subject to a maximum civil sanction in the amount of \$500 for each violation and may be ordered to pay the reasonable attorney's fees and costs incurred by the elected official to respond to and defend against the improper allegations.

## **M. Removal of Board Member**

---

Compliance with this section is not required for the City Council to act under Phoenix City Code Section 2-51.

# **Section V:**

## **Penalties and Sanctions**

## A. Under City Laws and Policies

---

Violations of the law and any of the policies set forth in this Ethics Handbook may expose an elected official to a variety of penalties—including a recall movement and civil and criminal penalties, as authorized by law.

**Comment:** For example, the penalties for a violation of Arizona's Open Meetings laws include nullification of action taken [Arizona Revised Statutes, Section 38-431.05], removal from office, a civil penalty of up to \$500, an assessment of all costs and attorney's fees incurred in the lawsuit, and such other equitable relief that the court deems appropriate. Arizona Revised Statutes, Section 38-431.07(A).

## B. Under State Policies and Laws

---

Elected officials must recognize the serious consequences of violating some of the laws set forth in this Ethics Handbook. For example, intentional violation of the conflict of interest laws constitutes a Class 6 felony, which is punishable upon conviction by imprisonment for up to 1 ½ years and/or a fine of up to \$150,000. Negligent violation of the law constitutes a Class 1 misdemeanor, which is punishable by imprisonment for up to 6 months and/or a fine of up to \$2,000. In addition, a person found guilty of violating the law automatically forfeits their public office.

Ultimate responsibility for complying with the law rests with individual members of public bodies. Therefore, in situations involving potential conflicts of interest, doubts as to the application of the law should be resolved by disqualification rather than by participation.

# **Appendix A:**

## **Applicable Ethics Laws and Policies**

## Phoenix City Charter Chapter XI, Section 1 (Adopting State Conflict of Interest Laws)

The provisions of the state law governing conflict of interest of officers and employees shall apply.

## Phoenix City Charter Chapter XI, Section 2 (Discrimination)

No person shall be appointed to, removed from or in any way favored or discriminated against with respect to any City position because of race, color, ancestry, national origin, sex, political or religious opinions or affiliations.

## Phoenix City Code Chapter 2, Section 2-52(A), (Definitions for Ethics and Gift Policies)

**Definitions.** The following definitions apply to this section. The plural of the word or phrase includes the singular, and the singular includes the plural:

1. “Board member” means a member, or the person’s relative or partner, of a City of Phoenix board, committee, commission, or task force.
2. “City business” means an activity or enterprise for gain, benefit, advantage, or livelihood with a public entity, a research organization, a regulatory body, a business association, or a professional association, whose primary purpose relates to research, rulemaking, development, best practices, or regulations that affect or relate to the City of Phoenix.
3. “Community event” means an event, activity, or function located in Arizona and sponsored by the City of Phoenix, a nonprofit organization, a professional association, a business association, a charitable organization, a cultural/arts organization, or a community organization.
4. “Compensation” means money, a tangible thing of value, or a financial benefit.
5. “Elected official” means a person, or the person’s relative or partner, elected or appointed as Mayor or as Council member of the City of Phoenix.
6. “Employee” means a person, or the person’s relative or partner, who is not an elected official, board member, volunteer, or City of Phoenix Municipal Court Judge, and who is employed full-time or part-time by the City of Phoenix.
7. “Gift means” direct or indirect compensation, other than as provided by law, for services, duties, or responsibilities rendered or to be rendered by a person in their capacity as an elected official, employee, board member, or volunteer. Gift does not mean:
  - a. Compensation received by an elected official, board member, or volunteer as part of the person’s employment outside of the City of Phoenix or as part of the person’s service as a member of a board of directors for a corporation or other elective office, and which compensation is unrelated to the person’s position or office as an elected official, board member, or volunteer; or
  - b. A political campaign contribution as permitted by law; or
  - c. Compensation received by an elected official, employee, board member, or volunteer from the person’s relative or partner; or

- d. Compensation in the form of a personalized plaque or similar personalized award received by an elected official, employee, board member, or volunteer for the person's service to the City of Phoenix consistent with the duties and responsibilities of the person's position or office; or
  - e. Compensation in the form of admission, food, beverages, transportation, or accommodations received by an elected official or employee in the capacity as a City of Phoenix representative and related to City business; or
  - f. Compensation associated with a relative's or partner's elective office; or
  - g. Compensation in the form of admission, food, or beverages received by an elected official, employee, board member, or volunteer to attend a community event.
8. "Partner" means a person in a domestic partnership as defined in Section 18-401.
9. "Relative" means the spouse, child, child's child, parent, grandparent, brother or sister of the whole or half blood and their spouse, and the parent, brother, sister, or child of a spouse.
10. "Special occasion" means an engagement or wedding involving a relative, partner, or relative of a partner, the birth or adoption of a child, or the death of a relative, partner, or relative of a partner.
11. "Volunteer" means a person, or the person's relative or partner, other than a board member who provides their services to the City of Phoenix without any express or implied promise of compensation, and serves as a hearing officer, intern, extern, contractor, vendor, or otherwise serves in the administrative offices of an elected official, the City Manager, or a City of Phoenix department or function head. A block watch captain is not a volunteer for purposes of this gift policy.

## Phoenix City Code

### Chapter 2, Article II, Section 2-52(B) (Ethics Policy)

---

#### B. Ethics policy.

It is the policy of the City of Phoenix to uphold, promote and demand the highest standards of ethics from all of its elected officials, employees, board members, and volunteers. Accordingly, all City elected officials, employees, board members, and volunteers must maintain the utmost standards of personal integrity, truthfulness, honesty and fairness in carrying out their public duties, avoid any improprieties in their roles as public servants, and never use their City position or power for improper personal gain.

## Phoenix City Code

### Chapter 2, Article II, Section 2-52(C) (Gift Policy)

---

#### C. Permissible and prohibited gifts.

1. A gift in any amount received by an elected official, employee, board member, or volunteer is prohibited if the gift creates the appearance of undue influence, or if the gift creates a conflict of interest under Phoenix City Charter Chapter XI, Section 1 (Title 38, Chapter 3, Article 8, Arizona Revised Statutes).
2. A gift with a known or reasonably estimated fair market value of \$50 or less, received by an elected official, employee, board member, or volunteer, is permissible if the gift is not otherwise prohibited by law. The gift disclosure requirements provided in this section do not apply to a permissible gift under this subsection.
3. A gift with a known or reasonably estimated fair market value greater than \$50 received by an elected official or

employee is permissible if the gift is not otherwise prohibited by law and if the gift is disclosed by the recipient of the gift as provided in this Section. A gift with an unknown value should be disclosed as “unknown” if a reasonable estimate of the gift’s fair market value is greater than \$50.

4. A gift with a known or reasonably estimated fair market value greater than \$50 received by a board member or volunteer is permissible if the gift is not otherwise prohibited by law.
  5. An elected official, employee, board member, or volunteer may request a gift waiver for a gift received in connection with a special occasion by filing a written request with the Ethics Commission. In addition, an elected official or employee who must file a disclosure form as provided in this section may seek a waiver of the disclosure requirements for a gift received in connection with a special occasion. If the gift or disclosure waiver is approved by the Ethics Commission, the waiver request form must be filed with the City Clerk as provided in this section.
- a. Gift recipient’s full name and status as an elected official or employee;
  - b. Value, including disclosure of unknown value as “unknown” if a reasonable estimate of the fair market value of the gift is greater than \$50;
  - c. Description of gift;
  - d. Date received; and
  - e. Gift giver’s full name and affiliated organization if applicable.
3. The City Clerk shall post the gift disclosure form and maintain the posting of each disclosure form on the City of Phoenix website and, when funding is authorized, in a searchable database:
    - a. For an elected official, three years after the end of the elected official’s term.
    - b. For an employee, five years from the date the disclosure form is filed by an employee.
  4. The disclosure requirements provided in this subsection shall not apply to a board member or volunteer.

## **Phoenix City Code Chapter 2, Article II, Section 2-52(D) (Disclosure Requirements)**

### *D. Gift disclosure requirements.*

1. If a gift must be disclosed by an elected official or employee as provided in this Section, the gift recipient must file a form with the City Clerk within 30 calendar days following the end of the quarter in which the gift is received.
2. The form must include the following information related to the gift:

## **Phoenix City Code Chapter 2, Article II, Section 2-53 (City of Phoenix Ethics Commission; Ethics or Gift Policy Violations by Elected Officials or Board Members)**

*A. Definitions.* The definitions in Section 2-52(A) apply to this section.

*B. City of Phoenix Ethics Commission.* The City of Phoenix Ethics Commission is hereby established to consist of five members who each serve a term of five years unless otherwise specified. Two Commission members must be registered members of the Democratic



Party, two Commission members must be registered members of the Republican Party, and one Commission member must be registered with no party affiliation. All members must be Phoenix residents and must not be elected officials, precinct committee persons of a political party, or Phoenix employees. A member may not serve more than one full term. One Democratic member, one Republican member, and the unaffiliated member will each serve a full initial term. One Democratic member and one Republican member will each serve a three-year initial term. Each Commission vacancy must be filled by a candidate recommended by the Judicial Selection Advisory Board and approved by Council as provided in this section.

*C. Appointment of Commission members.* The Judicial Selection Advisory Board will seek out and encourage qualified individuals to apply for appointment to the Ethics Commission and may conduct investigations into the background and qualifications of candidates through the use of questionnaires, personal interviews, and other means as the Board deems reasonable. When making recommendations for appointment to the Commission, the Board should consider the diversity of Phoenix's population. A candidate for appointment to the Commission must be a registered Arizona voter who has been continuously registered with the same political party or registered as unaffiliated with a political party for five or more years preceding the date the candidate files an application with the Board. A candidate for appointment to the Commission must be a Phoenix resident and may not serve as an elected official, a precinct committee person of a political party, or Phoenix employee on the date the candidate files an application with the Board. As provided in Section 2-96, the Board will recommend candidates for appointment to the Commission by the affirmative vote of seven Council members.

*D. Ethics Commission compensation.* Ethics Commission members will not receive

a salary or otherwise be compensated except for reimbursement of parking fees near Phoenix City Hall.

*E. Ethics Commission rules and procedures.* The City Manager will prepare initial rules and procedures for the Commission's investigation and enforcement of an ethics or gift violation. All violations must be approved by an affirmative vote of four Ethics Commission members and an affirmative vote of seven Council members. These rules and procedures must address the process and procedures for the Ethics Commission to initiate proceedings, conduct the initial evaluation and investigation, proceed with a formal hearing after investigation by the Ethics Commission, if necessary, and recommend action, if necessary, to Council related to an alleged ethics or gift violation. By an affirmative vote of four members, the Ethics Commission may refer changes to the initial Ethics Commission rules and procedures to the City Manager for review and recommendation to Council. Any changes to the initial Ethics Commission rules and procedures must be approved by an affirmative vote of seven Council members.

*F. Filing of inquiry.* Any person who is a Phoenix resident or who is directly aggrieved by an act or the failure to act of an elected official or board member may file with the City Clerk a written inquiry containing specific allegations of violations of the City's ethics or gift policy by any elected official or board member.

*G. Elected official participation.* An elected official must not participate in any discussion or vote in an inquiry involving the elected official's acts or failure to act except to respond to the inquiry or defend against any allegation related to the inquiry.

*H. Consideration of inquiry.* Within five days of receiving the inquiry, the City Clerk will forward the inquiry to the Ethics Commission and the inquiry will be placed on the agenda of the Commission's next available meeting.

*I. Initial evaluation by Commission.* Each inquiry received by the Commission will be initially evaluated by the Commission to determine by the affirmative vote of four members if the allegations in the inquiry:

1. Are within the Commission's jurisdiction and are facially sufficient in whole or in part to warrant additional evaluation or investigation of the allegations in the inquiry; or
2. Are outside of the Commission's jurisdiction or facially insufficient to warrant investigation and, therefore, dismiss the inquiry. The Commission's dismissal of the inquiry is not subject to review; or
3. May involve a crime, in which case the Commission must refer the inquiry to the proper authority for investigation and prosecution. If the Commission refers the inquiry to another authority for criminal investigation or prosecution, the Commission must stay all action related to the inquiry until the criminal investigation and any related proceedings are resolved; or
4. Are not well grounded in law or fact and are interposed for an improper purpose, such as to harass or cause unnecessary delay or expense to the elected official or board member. The Commission may recommend that the Council impose a civil sanction in the maximum amount of \$500 against the person or entity for each frivolous inquiry.

If the Commission fails to make a determination by unanimous or the affirmative vote as required in subsections (I)(1) through (4) of this section, the inquiry is deemed closed.

*J. Ethics Commission authority.* Upon a determination that an inquiry warrants additional evaluation or investigation, the Ethics Commission is authorized to investigate, take

testimony, and engage in any other action to the extent permitted by law to oversee the investigation and enforcement of the ethics or gift policy related to an elected official or board member. The Commission may appoint an independent investigator as may be necessary to assist the Ethics Commission in carrying out its purpose and responsibilities. In addition, the Ethics Commission may issue advisory opinions regarding ethics and gift policy issues upon request by an elected official or board member, and make recommendations to Council.

*K. Inquiry report.* After the conclusion of any hearing or fact finding related to an inquiry alleging a violation of the City's ethics or gift policy by an elected official or board member, the investigator will prepare a written report with findings of fact and recommendations. The report will be provided to the Ethics Commission for such action as the Ethics Commission deems appropriate. The report will not be available for public inspection under the Arizona Public Records Act until after final action by the Ethics Commission.

*L. Commission review.* The Ethics Commission may review and discuss the inquiry and the report in executive session as permitted by law. In public session, by the affirmative vote of four members the Ethics Commission may recommend to the full Council to sustain the alleged violations in whole or in part, to impose sanctions, if any, permitted by this section, or to dismiss the inquiry. If there are less than four votes to make a recommendation to the full Council or to dismiss the inquiry, then the inquiry is deemed closed.

*M. Consideration of recommendation.* A recommendation from the Ethics Commission related to an inquiry will be placed on the agenda of the next available meeting of the full Council. By the affirmative vote of seven members the Council may accept the Ethics Commission recommendation in whole or in part, impose the same or different sanctions, if any, as permitted by this section, or dismiss

the inquiry. If there are less than seven votes to accept the Ethics Commission's recommendation in whole or in part, or to dismiss the inquiry, the inquiry is deemed closed.

*N. Sanctions.* By an affirmative vote of seven members, the Council may impose any of the following actions or civil sanctions for a violation of the ethics or gift policies by an elected official or board member: censure, a maximum civil sanction in the amount of \$500 for each violation, or removal from office if the violation relates to a board member.

Section 1-5 does not apply to action under this subsection. The penalties and remedies provided in Title 38, Chapter 3, Article 8, Arizona Revised Statutes, may apply and may be enforced as provided by law.

*O. Action for frivolous allegations.* Upon a finding and recommendation by an affirmative vote of four members of the Ethics Commission and by an affirmative vote of seven members of the City Council, the City Council may direct the City Manager through the City Attorney to file a complaint in Municipal Court against a person, or other entity recognized by law, for the filing of allegations of ethics or gift violations that are not well grounded in law or fact and are interposed for an improper purpose, such as to harass or cause unnecessary delay or expense to the elected official or board member. A person found liable for violating this section by a preponderance of the evidence may be subject to a maximum civil sanction in the amount of \$500 for each violation and may be ordered to pay the reasonable attorney's fees and costs incurred by the elected official or board member to respond to and defend against the improper allegations.

*P. Removal of Commission member.*

Compliance with this section is not required for the Council to take action under Section 2-51.

## **Phoenix City Code Chapter 2, Article III, Section 2-96 (Judicial Selection Advisory Board Selection of Ethics Commission Candidates for City Council Approval)**

A. There is hereby created a Judicial Selection Advisory Board to be composed of the Chief Presiding Judge of the City Court, who shall serve as a nonvoting member, and nine voting members, consisting of the following: the Presiding Judge of the Superior Court of Maricopa County or his designee; an appellate court judge to be appointed by the Chief Justice of the Arizona Supreme Court; a member of the Maricopa County Bar Association who shall reside in the City of Phoenix and who shall be appointed by the Mayor from among three nominees recommended by the Association's Board of Directors; an active member of the State Bar of Arizona who shall reside in the City of Phoenix and who shall be appointed by the Mayor from among three nominees recommended by the State Bar's Board of Governors; and five nonattorney public members who are nominated by the Mayor and who are residents of the City of Phoenix. The diversity of the City's population shall be considered when making an appointment to the Board. None of the public members shall be an employee of the City of Phoenix. Voting members shall be subject to approval by the City Council. Voting members shall serve a term of three years and shall be eligible for reappointment for one additional three-year term. The members shall serve without salary or compensation.

B. The Board's officers shall consist of a chairman and vice-chairman, each selected from the Board's voting members. Officers shall serve one-year terms. No member shall serve more than two terms as chairman or two terms as vice-chairman, not including any term filled for

the remainder of another member's unexpired term. Upon expiration of the chairman's first term or, if selected for a second term, upon expiration of the chairman's second term, the vice-chairman automatically shall become the chairman. If upon expiration of the chairman's first term, the chairman is selected by the voting members for a second term, the vice-chairman shall automatically continue in that office for a second term. A vacancy in the office of chairman caused other than by the expiration of a term shall be filled by the vice-chairman for the remainder of the unexpired term. The members shall determine operating procedures for the Board, which shall be kept in writing. The vice-chairman shall preside whenever the chairman is absent or unable to act. The chairman will have the duty to prepare written reports as may be requested by the City Council.

C. The Board shall have the following powers and duties:

1. To seek out and encourage qualified individuals to apply for the office of judge of the City Court or the City of Phoenix Ethics Commission.
2. To conduct investigations into the background and qualifications of candidates for the office of judge of the City Court or for the City of Phoenix Ethics Commission, including but not limited to the use of questionnaires, personal interviews, and contacting such individuals and institutions as it deems reasonable to obtain as much background information on the candidate as possible.
3. To submit its recommendations for candidates for appointment or reappointment to the office of judge of the City Court or Chief Presiding Judge or to the City of Phoenix Ethics Commission to the Mayor, who thereafter shall convene the City Council

for the purpose of interviewing all candidates recommended. When making recommendations for judicial office or for the City of Phoenix Ethics Commission, the Board shall consider the diversity of the City's population; however, the primary consideration shall be merit.

D. The meetings of the Board shall be held once each year for the purpose of reviewing operating procedures and on call of the chairman or a majority of the members. The chairman shall issue a call for a meeting promptly upon learning of the existence or anticipated existence of a vacancy in the office of judge of the City Court or in the City of Phoenix Ethics Commission. The Board shall, whenever practical, hold public meetings designed to permit interested parties and groups to submit and recommend persons for consideration.

## **Phoenix City Code Section 43-34 Conflict of Interest (Procurement Ethics)**

---

An elected City official or a City employee shall not represent any person or business for compensation before the City regarding any part of a procurement, including any resulting contract, if during the time the elected official is or was in office or the employee is or was employed by the City such elected official or employee played a material or significant role in the development of the solicitation, any other part of the procurement, or the contract award.

## **Phoenix City Code Section 43-36 Solicitation Transparency (Procurement Ethics)**

---

Commencing on the date and time a solicitation is published, potential or actual offerors or respondents (including their representatives)

shall only discuss matters associated with the solicitation with the Mayor, any members of City Council, the City Manager, any Deputy City Manager, or any department director directly associated with the solicitation (including in each case their assigned staff, except for the designated Procurement Officer) at a public meeting, posted under Arizona Statutes, until the resulting contract(s) are awarded or all offers or responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or a similar solicitation.

### **Arizona Revised Statutes Title 36, Section 36-1406 (Interest of Municipal Officer in Housing Project)**

A. An officer of a public housing authority, city, town or county shall not acquire any direct or indirect interest in a housing project or in property included or planned to be included in a housing project of the public housing authority, city, town or county or have any direct or indirect interest in any contract or proposed contract for materials or services to be furnished or used in connection with a housing project.

B. If an officer of a public housing authority, city, town or county owns or controls an interest directly or indirectly in property included or planned to be included in a housing project, the officer shall immediately disclose that interest in writing to the governing body of the public housing authority, city, town or county, and the disclosure shall be entered upon the minutes of the governing body. Failure to disclose the interest is misconduct in office. After making this disclosure, the officer shall not participate in any action by the city, town or county affecting the property.

### **Arizona Revised Statutes Title 36, Section 36-1477 (Employee Interest in Development Project)**

A. A public official of a municipality, commissioner or employee of a housing authority or slum clearance and redevelopment commission to which the powers of a municipality have been delegated pursuant to this article shall not voluntarily acquire any interest, direct or indirect, in a redevelopment project or in any property included or planned to be included in a redevelopment project of the municipality or in any contract or proposed contract in connection with a redevelopment project. If an acquisition is not voluntary, the interest acquired shall be immediately disclosed in writing to the local governing body and the disclosure shall be entered upon the minutes of the governing body.

B. If any official, commissioner or employee presently owns or controls, or owned or controlled within the preceding two years, any interest, direct or indirect, in any property which the person knows is included or planned by the municipality to be included in any redevelopment project, the person shall immediately disclose this fact in writing to the local governing body, and this disclosure shall be entered upon the minutes of the governing body. The person shall not participate in any action by the municipality, housing authority or commission affecting the property. Any violation of this section shall constitute misconduct in office.

### **Arizona Revised Statutes Title 38, Section 38-481 (Employment of Relatives)**

A. It is unlawful, unless otherwise expressly provided by law, for an executive, legislative, ministerial or judicial officer to appoint or



vote for appointment of any person related to him by affinity or consanguinity within the third degree to any clerkship, office, position, employment or duty in any department of the state, district, county, city or municipal government of which such executive, legislative, ministerial or judicial officer is a member, when the salary, wages or compensation of such appointee is to be paid from public funds or fees of such office, or to appoint, vote for or agree to appoint, or to work for, suggest, arrange or be a party to the appointment of any person in consideration of the appointment of a person related to him within the degree provided by this section.

B. Any executive, legislative, ministerial or judicial officer who violates any provision of this section is guilty of a class 2 misdemeanor.

C. The designation executive, legislative, ministerial or judicial officer includes all officials of the state, or of any county or incorporated city within the state, holding office either by election or appointment, and the heads of the departments of state, county or incorporated cities, officers and boards or managers of the universities.

## **Arizona Revised Statutes Title 38, Section 38-501 (Application of Conflict of Interest Laws)**

A. [These laws] shall apply to all public officers and employees of incorporated cities or towns, of political subdivisions and of the state and any of its departments, commissions, agencies, bodies or boards.

B. Notwithstanding the provisions of any other law, or the provisions of any charter or ordinance of any incorporated city or town to the contrary, the provisions of this article shall be exclusively applicable to all officers and employees of every incorporated city or town or political subdivision or the state and any of its departments, commissions, agencies, bodies or

boards and shall supersede the provisions of any other such law, charter provision or ordinance.

C. Other prohibitions in the state statutes against any specific conflict of interests shall be in addition to this article if consistent with the intent and provisions of this article.

## **Arizona Revised Statutes Title 38, Section 38- 502 (Conflict of Interest, Definitions)**

Unless the context otherwise requires:

1. "Compensation" means money, a tangible thing of value or a financial benefit.
2. "Employee" means all persons who are not public officers and who are employed on a full-time, part-time or contract basis by an incorporated city or town, a political subdivision or the state or any of its departments, commissions, agencies, bodies or boards for remuneration.
3. "Make known" means the filing of a paper which is signed by a public officer or employee and which fully discloses a substantial interest or the filing of a copy of the official minutes of a public agency which fully discloses a substantial interest. The filing shall be in the special file established pursuant to Section 38-509.
4. "Official records" means the minutes or papers, records and documents maintained by a public agency for the specific purpose of receiving disclosures of substantial interests required to be made known by this article.
5. "Political subdivision" means all political subdivisions of the state and county, including all school districts.
6. "Public agency" means:
  - (a) All courts.
  - (b) Any department, agency, board,

commission, institution, instrumentality or legislative or administrative body of the state, a county, an incorporated town or city and any other political subdivision.

- (c) The state, county and incorporated cities or towns and any other political subdivisions.

7. "Public competitive bidding" means the method of purchasing prescribed by Title 41, Chapter 23, or procedures substantially equivalent to such method of purchasing, or as provided by local charter or ordinance.

8. "Public officer" means all elected and appointed officers of a public agency established by charter, ordinance, resolution, state constitution or statute.

9. "Relative" means the spouse, child, child's child, parent, grandparent, brother or sister of the whole or half blood and their spouses and the parent, brother, sister or child of a spouse.

10. "Remote interest" means:

- (a) That of a nonsalaried officer of a nonprofit corporation.
- (b) That of a landlord or tenant of the contracting party.
- (c) That of an attorney of a contracting party.
- (d) That of a member of a nonprofit cooperative marketing association.
- (e) The ownership of less than three percent of the shares of a corporation for profit, provided the total annual income from dividends, including the value of stock dividends, from the corporation does not exceed five percent of the total annual income of such officer or employee and any other payments made to him by the corporation do not exceed five percent of his total annual income.
- (f) That of a public officer or employee in being reimbursed for his actual and

necessary expenses incurred in the performance of official duty.

- (g) That of a recipient of public services generally provided by the incorporated city or town, political subdivision or state department, commission, agency, body or board of which he is a public officer or employee, on the same terms and conditions as if he were not an officer or employee.
- (h) That of a public school board member when the relative involved is not a dependent, as defined in Section 43-1001, or a spouse.
- (i) That of a public officer or employee, or that of a relative of a public officer or employee, unless the contract or decision involved would confer a direct economic benefit or detriment on the officer, the employee or his relative, of any of the following:
  - (i) Another political subdivision.
  - (ii) A public agency of another political subdivision.
  - (iii) A public agency except if it is the same governmental entity.
- (j) That of a member of a trade, business, occupation, profession or class of persons consisting of at least ten members which is no greater than the interest of the other members of that trade, business, occupation, profession or class of persons.
- (k) That of a relative who is an employee of any business entity or governmental entity that employs at least twenty-five employees within this state and who, in the capacity as an employee, does not assert control or decision-making authority over the entity's management or budget decisions.



- (l) The ownership of any publicly traded investments that are held in an account or fund, including a mutual fund, that is managed by one or more qualified investment professionals who are not employed or controlled by the officer or employee and that the officer or employee owns shares or interest together with other investors.

11. “Substantial interest” means any nonspeculative pecuniary or proprietary interest, either direct or indirect, other than a remote interest.

### **Arizona Revised Statutes Title 38, Section 38-503 (Conflict of Interest, Exemptions, Employment Prohibition)**

A. Any public officer or employee of a public agency who has, or whose relative has, a substantial interest in any contract, sale, purchase or service to such public agency shall make known that interest in the official records of such public agency and shall refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale or purchase.

B. Any public officer or employee who has, or whose relative has, a substantial interest in any decision of a public agency shall make known such interest in the official records of such public agency and shall refrain from participating in any manner as an officer or employee in such decision.

C. Notwithstanding the provisions of subsections A and B of this Section, no public officer or employee of a public agency shall supply to such public agency any equipment, material, supplies or services, unless pursuant to an award or contract let after public competitive bidding, except that:

1. A school district governing board may purchase, as provided in Sections 15-213 and 15-323, supplies, materials and equipment from a school board member.
2. Political subdivisions other than school districts may purchase through their governing bodies, without using public competitive bidding procedures, supplies, materials and equipment not exceeding three hundred dollars in cost in any single transaction, not to exceed a total of one thousand dollars annually, from a member of the governing body if the policy for such purchases is approved annually.

D. Notwithstanding subsections A and B of this section and as provided in Sections 15-421 and 15-1441, the governing board of a school district or a community college district may not employ a person who is a member of the governing board or who is the spouse of a member of the governing board.

### **Arizona Revised Statutes Title 38, Section 38-504 (Prohibited Acts; Represent Another Party; Confidential Information)**

A. A public officer or employee shall not represent another person for compensation before a public agency by which the officer or employee is or was employed within the preceding twelve months or on which the officer or employee serves or served within the preceding twelve months concerning any matter with which the officer or employee was directly concerned and in which the officer or employee personally participated during the officer’s or employee’s employment or service by a substantial and material exercise of administrative discretion.

B. During the period of a public officer's or employee's employment or service and for two years thereafter, a public officer or employee shall not disclose or use for the officer's or employee's personal profit, without appropriate authorization, any information acquired by the officer or employee in the course of the officer's or employee's official duties which has been clearly designated to the officer or employee as confidential when such confidential designation is warranted because of the status of the proceedings or the circumstances under which the information was received and preserving its confidentiality is necessary for the proper conduct of government business. A public officer or employee shall not disclose or use, without appropriate authorization, any information that is acquired by the officer or employee in the course of the officer's or employee's official duties and that is declared confidential by law.

C. A public officer or employee shall not use or attempt to use the officer's or employee's official position to secure any valuable thing or valuable benefit for the officer or employee that would not ordinarily accrue to the officer or employee in the performance of the officer's or employee's official duties if the thing or benefit is of such character as to manifest a substantial and improper influence on the officer or employee with respect to the officer's or employee's duties.

---

### **Arizona Revised Statutes Title 38, Section 38-505 (Additional Income Prohibited for Services)**

A. No public officer or employee may receive or agree to receive directly or indirectly compensation other than as provided by law for any service rendered or to be rendered by him personally in any case, proceeding, application, or other matter which is pending before the public agency of which he is a public officer or employee.

B. This section shall not be construed to prohibit the performance of ministerial functions including, but not limited to, the filing, or amendment of tax returns, applications for permits and licenses, incorporation papers, and other documents.

---

### **Arizona Revised Statutes Title 38, Section 38-506 (Remedies)**

A. In addition to any other remedies provided by law, any contract entered into by a public agency in violation of this article is voidable at the instance of the public agency.

B. Any person affected by a decision of a public agency may commence a civil suit in the superior court for the purpose of enforcing the civil provisions of this article. The court may order such equitable relief as it deems appropriate in the circumstances including the remedies provided in this section.

C. The court may in its discretion order payment of costs, including reasonable attorney's fees, to the prevailing party in an action brought under subsection B.

---

### **Arizona Revised Statutes Title 38, Section 38-507 (Opinions of the Attorney General, County Attorneys, City or Town Attorneys and House and Senate Ethics Committee)**

Requests for opinions from either the attorney general, a county attorney, a city or town attorney, the senate ethics committee or the house of representatives ethics committee concerning violations of this article shall be

confidential, but the final opinions shall be a matter of public record. The county attorneys shall file opinions with the county recorder, the city or town attorneys shall file opinions with the city or town clerk, the senate ethics committee shall file opinions with the senate secretary and the house of representatives ethics committee shall file opinions with the chief clerk of the house of representatives.

## **Arizona Revised Statutes Title 38, Section 38-508 (Authority of Public Officers and Employees to Act)**

A. If the provisions of Section 38-503 prevent an appointed public officer or a public employee from acting as required by law in his official capacity, such public officer or employee shall notify his superior authority of the conflicting interest. The superior authority may empower another to act or such authority may act in the capacity of the public officer or employee on the conflicting matter.

B. If the provisions of Section 38-503 prevent a public agency from acting as required by law in its official capacity, such action shall not be prevented if members of the agency who have apparent conflicts make known their substantial interests in the official records of their public agency.

## **Arizona Revised Statutes Title 38, Section 38-509 (Filing of Disclosure)**

Every political subdivision and public agency subject to this article shall maintain for public inspection in a special file all documents necessary to memorialize all disclosures of substantial interest made known pursuant to this article.

## **Arizona Revised Statutes Title 38, Section 38-510 (Penalties)**

A. A person who:

1. Intentionally or knowingly violates any provision of Sections 38-503 through 38-505 is guilty of a class 6 felony.
2. Recklessly or negligently violates any provision of Sections 38-503 through 38-505 is guilty of a class 1 misdemeanor.

B. A person found guilty of an offense described in subsection A of this section shall forfeit his public office or employment if any.

C. It is no defense to a prosecution for a violation of Sections 38-503 through 38-505 that the public officer or employee to whom a benefit is offered, conferred or agreed to be conferred was not qualified or authorized to act in the desired way.

D. It is a defense to a prosecution for a violation of Sections 38-503 through 38-505 that the interest charged to be substantial was a remote interest.

## **Arizona Revised Statutes Title 38, Section 38-511 (Cancellation of Political Subdivision and State Contracts; Definition)**

A. The state, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the

contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

B. Leases of state trust land for terms longer than ten years cancelled under this section shall respect those rights given to mortgagees of the lessee by Section 37-289 and other lawful provisions of the lease.

C. The cancellation under this section by the state or its political subdivisions shall be effective when written notice from the governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time.

D. The cancellation under this section by any department or agency of the state or its political subdivisions shall be effective when written notice from such party is received by all other parties to the contract unless the notice specifies a later time.

E. In addition to the right to cancel a contract as provided in subsection A of this section, the state, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract.

F. Notice of this Section shall be included in every contract to which the state, its political subdivisions, or any of the departments or agencies of either is a party.



# **Appendix B:**

## **Additional Applicable Laws and Policies**

## Phoenix City Charter Chapter XXV, Section 11 (Political Activity)

1. No officer or employee of the City shall directly or indirectly solicit or receive or be in any manner concerned in soliciting or receiving any assessment, subscription or contribution on behalf of any candidate for City of Phoenix elective office from any person holding a position with the City.
2. No person holding a position with the City, except elected officials, shall take any part in political management, affairs or campaigns in any election for City of Phoenix elective office further than to vote and privately express opinions.

## Phoenix City Code Chapter 2, Article XXX, Sections 2-1000 and following, (Lobbyist Ordinance)

### *Phoenix City Code Section 2-1000, Definitions.*

- A. *City official* means the Mayor and members of the Council of the City of Phoenix, whether serving by election or appointment, and any person who serves in the administrative office of either the Mayor or a Council member, or any person who serves on a City of Phoenix board, committee, or commission, or the City Manager, executive staff, and all City of Phoenix department and function heads.
- B. *Compensation* means money, service, facility, other thing of value, or benefit, including an interest in a business or an investment, which is received or will be

received in return for or in connection with services rendered or to be rendered.

C. *Expenditure* means any expense made in furtherance of a lobbying activity incurred by or on behalf of a lobbyist.

D. *Family gift* means a gift to a City official or a member of his or her household from a lobbyist who is a relative of the City official or a member of his household if the donor is not acting for someone not covered by this article.

E. *Gift* means a donation or transfer of money, real property, or tangible personal property. For purposes of this article, *gift* does not include:

1. A gift or inheritance from a spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or any such person's spouse if the donor is not acting for someone not covered by this article and gifts of a personal nature were customarily received from such persons before becoming a City official.
2. The value of meals, entertainment, or lodging that is reported or exempt from reporting under this article.
3. Salary, compensation, or employer reimbursed expenses lawfully paid to a City official.
4. The value of professional or consulting services not rendered to obtain a benefit for any lobbyist or lobbyist's client.
5. Expenses relating to an event to which all members of the City Council or any Council committee or Council subcommittee, or all members who serve on a specific City of Phoenix board, committee, or commission, or



the City Manager or all of the executive staff or all City of Phoenix department and function heads are invited.

6. A plaque or similar item given to a City official in recognition of service or notable accomplishment.
7. Informational material such as books, reports, pamphlets, tapes, calendars, or periodicals.
8. An unused item that is returned to the donor or delivered to a charitable organization within 15 days of receipt and is not claimed as a charitable contribution for tax purposes.
9. A campaign contribution that is properly received and reported as required by law.
10. An item given to a City official if an item of similar value is given by the City official at the same time, or on a similar occasion under similar circumstances.

F. *Lobbying* means communication by a lobbyist with any City official for the purpose of influencing official action.

G. *Lobbyist* means any person who is compensated to lobby for a person other than himself.

H. *Official action* means any action or nonaction by a City official.

I. *Person* means an individual, partnership, committee, association, limited liability company, or corporation and any other organization, or group of persons.

J. *Personal hospitality* means meals, beverages, transportation, or lodging furnished noncommercially by a person on his or her family's property or facilities.

K. *Public official* means a person holding an elected government office.

## **Phoenix City Code**

### **Section 2-1001, Registration; reports.**

A. Lobbyists must register before lobbying, or within five business days after first lobbying, by filing a statement that discloses the following:

1. If the lobbyist is an individual or organization, the lobbyist must provide a unique e-mail address and agree to accept all notices at that e-mail address. The lobbyist must ensure that the registered e-mail address is accurate and current at all times.
2. If the lobbyist is an individual, the name, business, and e-mail address of the lobbyist and any employee of the lobbyist who also acts as a lobbyist; provided, that an individual who is included as a lobbyist on the registration of an entity under subsection (A)(3) of this section need not register separately.
3. If the lobbyist is an organization, the name, business, and e-mail address of the entity, its chief executive officer and all its officers and employees who act as lobbyists (who must be notified by the organization in writing that they have been listed as lobbyists); provided, that the entity need not register as a lobbyist if all its officers and employees who act as lobbyists are individually registered as lobbyists under subsection (A)(2) of this section.
4. The name and business address of all persons who compensate the lobbyist to lobby and all persons on whose behalf lobbying is performed. Any change in the information required by this subsection must be reported to the City Clerk within 30 days of the change.

B. At the time of registration or any time thereafter, a lobbyist may file a statement certifying that the lobbyist intends to make no

expenditures reportable under this article. Upon filing this statement, the lobbyist is exempt from the expenditure reporting requirements of this Section, so long as no expenditures are made. If a lobbyist who has signed an exemption statement subsequently makes any reportable expenditure, the lobbyist must notify the City Clerk of the expenditure within ten days and will thereafter be subject to expenditure reporting requirements. C. Lobbyists must report expenditures quarterly. Reports must be filed with the City Clerk no later than 5:00 p.m. on April 15, July 15, October 15, and January 15. If any due date is a Saturday, Sunday, or other legal holiday, the report must be filed on the next business day. Expenditures over \$25 must be itemized separately, listing the date, amount, and nature of the expenditure, the name of the City official receiving or benefiting from the expenditure, and the person on whose behalf the expenditure was made. Expenditures of \$25 or less for each City official may be reported in the aggregate. Expenditures for the lobbyist's personal sustenance, family gifts, personal hospitality, preparation or distribution of informational materials, campaign contributions, professional, or consulting services not made on behalf of another person for compensation, and not rendered primarily for the benefit of a City official, office expenses, filing fees, legal fees, employees, compensation, lodging, and travel are not required to be reported.

D. All expenditures for events to which all members of the Council or any committee or subcommittee of the Council or all members who serve on a specific City of Phoenix board, committee, or commission or the City Manager, or all of the executive staff or all City of Phoenix department and function heads, are invited must be reported pursuant to subsection C of this Section. Such expenditures need not be allocated to individual Council members, but the date, location, total expenditures incurred and a description of each such event must be reported.

E. A lobbyist who makes no reportable expenditures during a specified reporting period may, in lieu of the report required by subsection C of this section, file a statement

certifying that there were no reportable expenditures during the period.

F. A person must not make a gift to, or expenditure on behalf of, a City official through another person to conceal the identity of the person making the gift or expenditure. \*1

G. A person must not give a gift to a City official for the performance of official duties or if it may reasonably be interpreted to be offered in order to influence any action or decision of a City official. \*1

H. Annually, all registered City lobbyists must re-register with the City Clerk by no later than 5:00 p.m. on January 15. If January 15 is a Saturday, Sunday, or other legal holiday, the re-registration must be filed on the next business day.

I. Each registered lobbyist must provide the information and file the reports required by this section with the City Clerk, except individuals listed as lobbyists on the registration of an entity under subsection (A)(3) of this section may comply with this requirement through reports filed by the registered entity.

### ***Phoenix City Code Section 2-1001.01, Disclosure.***

Each lobbyist must disclose to each City official with whom the lobbyist communicates that he or she is acting in the capacity of a lobbyist.

### ***Phoenix City Code Section 2-1002, Exceptions.***

Section 2-1001 does not apply to:

A. A person who is not compensated for lobbying activity other than reimbursement for actual expenses.

B. A person, acting on his own behalf, who appears before the City Council, or a City of Phoenix board, committee, or commission, or contacts a City official to support or oppose official action.

C. A public official, public employee, or appointed member of a State, County or local board, commission, or council acting in his official capacity on matters pertaining to his office, employment, board, commission, or council.

D. An expert introduced or identified by a registered lobbyist or a public official who provides technical information, or answers technical questions, and makes no expenditure required to be reported by this article.

E. A person who performs professional services in drafting legislation or in advising and rendering opinions to clients as to the construction and effect of proposed or pending legislation.

F. An attorney who represents a client in any quasi-judicial proceeding.

G. A person who contacts a City official solely for the purpose of acquiring information.

H. A person who contacts a City official concerning any contract awarded through competitive bidding.

### ***Phoenix City Code Section 2-1003, Political contributions; reports.***

Lobbyists who contribute to, or solicit contributions on behalf of, political campaigns of City officials must file quarterly reports, which must be combined with expenditure reports when applicable, identifying the lobbyist and disclosing the dates and amounts of contributions made by or, if known, at the request of the lobbyist, the contributors' names, addresses, occupations and employers and the City officials to whom the contributions were made.

### ***Phoenix City Code Section 2-1004, Forms, filing.***

A. All statements and reports required by this article must be made under oath, on forms

prescribed by the City Clerk and filed in the office of the City Clerk.

B. Statements and reports required by this article may be filed in electronic format approved by the City Clerk. The City Clerk may require that statements and reports be filed with an additional written or printed copy.

C. Notwithstanding subsection A of this section, a statement or report filed in electronic format is not required to bear a notarized signature but is deemed to be filed under penalty of perjury.

D. An electronic filing made under this section complies with the filing requirements of this article if the filing is properly formatted as prescribed by this article and if the filing contains complete and correct information.

### ***Phoenix City Code Section 2-1005, Violations; penalty.***

A. A person violates this article if the person:

1. Fails to comply with any provision of this article; files any statement or report required by this article which contains materially false information; files any statement or report that omits material information; or fails to comply with any material requirement of this article; or
2. Retains or employs another person to promote or oppose official action for compensation contingent in whole or in part on the passage or defeat of any official action; or
3. Accepts employment or renders service as a lobbyist contingent in whole or in part on the passage or defeat of any official action.

B. *Penalty.*

1. A first violation of this article constitutes a civil offense with a mandatory

minimum fine of \$1,000 per violation, not to exceed \$2,500 per violation, and either a suspension from lobbying or a prohibition from registering to lobby with the City for 90 days.

2. A second violation within 84 months constitutes a civil offense with a mandatory minimum fine of \$2,000 per violation, not to exceed \$2,500 per violation, and either a suspension from lobbying or a prohibition from registering to lobby with the City for 180 days.
3. A third violation within 84 months constitutes a Class 1 misdemeanor. Upon conviction of a misdemeanor violation under this subsection, and in addition to the Court's sentence, the lobbyist must either be suspended from lobbying or prohibited from registering to lobby with the City for one year.

C. Each violation of this article constitutes a separate and distinct offense to which a separate penalty or fine may apply.

D. Any civil action or criminal prosecution for a violation of this article must commence within one year after the date on which the violation is alleged to have occurred.

### ***Phoenix City Code Section 2-1005.01, Enforcement of lobbying violations.***

A. *Jurisdiction.* The City Attorney, under Section 2-10(B)(1), and the City of Phoenix Ethics Commission, under Section 2-53, possess concurrent jurisdiction to enforce violations of this article.

B. *Ethics Commission rules and procedures.*

1. The City Manager or his or her designee will prepare initial rules and procedures for the Commission's investigation and enforcement of violations of this article. All violations must be approved by an

affirmative vote of four out of five Ethics Commission members. These rules and procedures must address the process and procedures for the Ethics Commission to initiate proceedings, conduct the initial evaluation and investigation, and proceed with a formal hearing after investigation by the Ethics Commission of an alleged violation of this article.

2. By an affirmative vote of four out of five members, the Ethics Commission may refer changes to the initial Ethics Commission rules and procedures to the City Manager for review and recommendation to the City Council. Any changes to the initial Ethics Commission rules and procedures must be approved by an affirmative vote of seven Council members.

C. *Filing of inquiry.* Any person may file with the City Clerk a written inquiry containing specific allegations of violations of this article.

D. *Consideration of inquiry.*

1. Once the City Clerk receives an inquiry and the City Clerk has reviewed the inquiry and it appears on its face that a person may have violated any provision of this article, the City Clerk must serve notice on the person by certified mail or at the registered e-mail address requiring compliance with this article within 15 days. If the person does not take corrective action by 5:00 p.m. on the fifteenth day, the City Clerk will forward the inquiry to the Ethics Commission for prompt review and action.
2. When the Ethics Commission receives the inquiry, the inquiry must be placed on the agenda of the Commission's next available meeting.
3. When the Ethics Commission is not or cannot be assembled, the City Clerk will forward the inquiry to the City Attorney for prompt review and action.

*E. Initial evaluation by Commission.* The Commission will evaluate to determine if the allegations in the inquiry:

1. Are within the Commission's jurisdiction and are facially sufficient, in whole or in part, to warrant additional evaluation or investigation of the inquiry; or
2. Are outside of the Commission's jurisdiction or are facially insufficient to warrant investigation. If the allegations are outside the Commission's jurisdiction or are insufficient to warrant investigation, the inquiry will be dismissed. The Commission's dismissal of the inquiry is final and is not subject to review; or
3. May involve a crime, in which case the Commission must refer the inquiry to the proper authority for investigation and possible prosecution. If the Commission refers the inquiry for criminal investigation or prosecution, the Commission must stay all action related to the inquiry until the criminal investigation and any related proceedings are resolved.

A determination under subsection (E)(1) or (2) of this section requires an affirmative vote of at least four out of five members. If the Commission fails to make a determination by the minimum affirmative vote, the inquiry is deemed closed. This disposition is final and not subject to review.

*F. Ethics Commission authority.*

1. Upon a determination that an inquiry warrants additional evaluation or investigation, the Ethics Commission is authorized to investigate, take testimony, subpoena, and engage in any other action to the extent permitted by law to oversee the investigation and enforcement of the lobbying requirements.

2. The Commission may appoint an independent investigator as necessary to assist the Ethics Commission in executing its purpose and responsibilities.

*G. Inquiry report.*

1. After the conclusion of any hearing or fact finding related to an alleged violation of the City's lobbying ordinance, the Commission or its investigator will prepare a written report with findings of fact and recommendations.
2. The report will be provided to the Ethics Commission for appropriate action under this article.
3. The report will not be available for public inspection under the Arizona Public Records Act until after the Ethics Commission's final action.

*H. Commission review.*

1. The Ethics Commission may review and discuss the inquiry and the report in executive session as permitted by law.
2. In public session, by the affirmative vote of four out of five members, the Ethics Commission may sustain the alleged violations in whole or in part and recommend sanctions permitted by this article, or the Commission may dismiss the inquiry. If there are less than four votes to sustain the allegations or to dismiss the inquiry, then the inquiry is deemed closed.

*I. Enforcement of a sustained violation.*

1. If the Ethics Commission finds any violation and recommends any sanction pursuant to this article, the information must be forwarded to the City Attorney to file a complaint.
2. Any inquiry reports, findings of fact, and hearing transcripts must be transmitted

to the City Attorney to file a complaint if the Ethics Commission has found any violation and recommended any sanction.

3. When a complaint has been filed, the Court may conduct a hearing on the merits. If the Court sustains any violation, the Court must sentence the person according to Section 2-1005.

***Phoenix City Code***  
***Section 2-1005.02, Severability.***

If a court invalidates any provision of this article or its application to any person or circumstance, the remainder of the article and its application to other persons and circumstances, other than that which has been held invalid, shall not be affected. To this extent, the provisions of this article are declared severable.

**Phoenix City Code**  
**Chapter 12, Section 12-1503,**  
**(Prohibits Elected Officials**  
**From Using Any Campaign**  
**Funds For One's Personal Use)**

Campaign funds, including surplus campaign funds, shall not be used for, or converted to, the personal use of a candidate or any person related to the candidate by blood or marriage. This Section does not preclude a candidate from using campaign funds to repay a personal loan the candidate made to the candidate's campaign. Prohibited uses of campaign funds include, but are not limited to:

- (1) Payment of a salary to a candidate or to a candidate's immediate family member;
- (2) Payment of mortgage or rental expenses for a personal residence;
- (3) Payment of country club or athletic club dues;

- (4) Payment of tuition expenses;
- (5) Payment of travel expenses unrelated to any political purpose;
- (6) Payment of home improvement or home furnishing expenses;
- (7) Payment of medical expenses;
- (8) Payment of clothing expenses;
- (9) Payment of grooming expenses; and
- (10) Payment of personal investment expenses.

**Arizona Revised Statutes**  
**Title 9, Section 9-500.14, (Use**  
**of City Resources to Influence**  
**Elections; Prohibition)**

A. A city or town shall not spend or use its resources, including the use or expenditure of monies, accounts, credit, facilities, vehicles, postage, telecommunications, computer hardware and software, web pages, personnel, equipment, materials, buildings or any other thing of value of the city or town, for the purpose of influencing the outcomes of elections. Notwithstanding this Section, a city or town may distribute informational pamphlets on a proposed bond election as provided in Section 35-454 if those informational pamphlets present factual information in a neutral manner. Nothing in this Section precludes a city or town from reporting on official actions of the governing body.

B. The prohibition on the use of public resources to influence the outcome of bond, budget override and other tax-related elections includes the use of city-focused or town-focused promotional expenditures that occur after an election is called and through election day. This prohibition does not include routine city or town communications.



C. This Section does not prohibit the use of city or town resources, including facilities and equipment, for government-sponsored forums or debates if the government sponsor remains impartial and the events are purely informational and provide an equal opportunity to all viewpoints. The rental and use of a public facility by a private person or entity that may lawfully attempt to influence the outcome of an election is permitted if it does not occur at the same time and place as a government-sponsored forum or debate.

D. Employees of a city or town shall not use the authority of their positions to influence the vote or political activities of any subordinate employee.

E. The attorney general or the county attorney of the county in which an alleged violation of this section occurred may initiate a suit in the superior court in the county in which the city or town is located for the purpose of complying with this section.

F. For each violation of this section, the court may impose a civil penalty not to exceed five thousand dollars plus any amount of misused funds subtracted from the city or town budget against a person who knowingly violates or aids another person in violating this section. The person determined to be out of compliance with this section is responsible for the payment of all penalties and misused funds. City or town funds or insurance payments shall not be used to pay these penalties or misused funds. All misused funds collected pursuant to this section shall be returned to the city or town whose funds were misused.

G. Nothing contained in this section shall be construed as denying the civil and political liberties of any employee as guaranteed by the United States and Arizona Constitutions.

H. For the purposes of this section:

1. "Government-sponsored forum or debate" means any event, or part of an event or meeting, in which the

government is an official sponsor, which is open to the public or to invited members of the public, and whose purpose is to inform the public about an issue or proposition that is before the voters.

2. "Influencing the outcomes of elections" means supporting or opposing a candidate for nomination or election to public office or the recall of a public officer or supporting or opposing a ballot measure, question or proposition, including any bond, budget or override election and supporting or opposing the circulation of a petition for the recall of a public officer or a petition for a ballot measure, question or proposition in any manner that is not impartial or neutral.
3. "Misused funds" means city or town monies or resources used unlawfully as proscribed by this section.
4. "Routine city or town communications" means messages or advertisements that are germane to the functions of the city or town and that maintain the frequency, scope and distribution consistent with past practices or are necessary for public safety.

## **Arizona Revised Statutes Title 13, Section 13-1802, (Use of Equipment, Facilities for Personal Gain)**

A. A person commits theft if, without lawful authority, the person knowingly:

1. Controls property of another with the intent to deprive the other person of such property; or
2. Converts for an unauthorized term or use services or property of another entrusted to the defendant or placed in



the defendant's possession for a limited, authorized term or use; or

3. Obtains services or property of another by means of any material misrepresentation with intent to deprive the other person of such property or services; or
4. Comes into control of lost, mislaid or misdelivered property of another under circumstances providing means of inquiry as to the true owner and appropriates such property to the person's own or another's use without reasonable efforts to notify the true owner; or
5. Controls property of another knowing or having reason to know that the property was stolen; or
6. Obtains services known to the defendant to be available only for compensation without paying or an agreement to pay the compensation or diverts another's services to the person's own or another's benefit without authority to do so; or
7. Controls the ferrous metal or nonferrous metal of another with the intent to deprive the other person of the metal; or
8. Controls the ferrous metal or nonferrous metal of another knowing or having reason to know that the metal was stolen; or
9. Purchases within the scope of the ordinary course of business the ferrous metal or nonferrous metal of another person knowing that the metal was stolen.

B. A person commits theft if, without lawful authority, the person knowingly takes control, title, use or management of a vulnerable adult's property while acting in a position of trust and confidence and with the intent to deprive the vulnerable adult of the property. Proof that a person took control, title, use or management of a vulnerable adult's property without adequate

consideration to the vulnerable adult may give rise to an inference that the person intended to deprive the vulnerable adult of the property.

C. It is an affirmative defense to any prosecution under subsection B of this section that either:

1. The property was given as a gift consistent with a pattern of gift giving to the person that existed before the adult became vulnerable.
2. The property was given as a gift consistent with a pattern of gift giving to a class of individuals that existed before the adult became vulnerable.
3. The superior court approved the transaction before the transaction occurred.

D. The inferences set forth in Section 13-2305 apply to any prosecution under subsection A, paragraph 5 of this section.

E. At the conclusion of any grand jury proceeding, hearing or trial, the court shall preserve any trade secret that is admitted in evidence or any portion of a transcript that contains information relating to the trade secret pursuant to Section 44-405.

F. Subsection B of this section does not apply to an agent who is acting within the scope of the agent's duties as or on behalf of a health care institution that is licensed pursuant to Title 36, Chapter 4 and that provides services to the vulnerable adult.

G. Theft of property or services with a value of twenty-five thousand dollars or more is a class 2 felony. Theft of property or services with a value of four thousand dollars or more but less than twenty-five thousand dollars is a class 3 felony. Theft of property or services with a value of three thousand dollars or more but less than four thousand dollars is a class 4 felony, except that theft of any vehicle engine or transmission is a class 4 felony regardless of value. Theft of property or services with a value of two thousand dollars or more but less than three thousand

dollars is a class 5 felony. Theft of property or services with a value of one thousand dollars or more but less than two thousand dollars is a class 6 felony. Theft of any property or services valued at less than one thousand dollars is a class 1 misdemeanor, unless the property is taken from the person of another, is a firearm or is an animal taken for the purpose of animal fighting in violation of Section 13-2910.01, in which case the theft is a class 6 felony.

H. A person who is convicted of a violation of subsection A, paragraph 1 or 3 of this section that involved property with a value of one hundred thousand dollars or more is not eligible for suspension of sentence, probation, pardon or release from confinement on any basis except pursuant to Section 31-233, subsection A or B until the sentence imposed by the court has been served, the person is eligible for release pursuant to Section 41-1604.07 or the sentence is commuted.

I. For the purposes of this section, the value of ferrous metal or nonferrous metal includes the amount of any damage to the property of another caused as a result of the theft of the metal.

J. In an action for theft of ferrous metal or nonferrous metal:

1. Unless satisfactorily explained or acquired in the ordinary course of business by an automotive recycler as defined and licensed pursuant to Title 28, Chapter 10 or by a scrap metal dealer as defined in Section 44-1641, proof of possession of scrap metal that was recently stolen may give rise to an inference that the person in possession of the scrap metal was aware of the risk that it had been stolen or in some way participated in its theft.
2. Unless satisfactorily explained or sold in the ordinary course of business by an automotive recycler as defined and licensed pursuant to Title 28, Chapter 10 or by a scrap metal dealer as defined in Section 44-1641, proof

of the sale of stolen scrap metal at a price substantially below its fair market value may give rise to an inference that the person selling the scrap metal was aware of the risk that it had been stolen.

K. For the purposes of this section:

1. "Adequate consideration" means the property was given to the person as payment for bona fide goods or services provided by the person and the payment was at a rate that was customary for similar goods or services in the community that the vulnerable adult resided in at the time of the transaction.
2. "Ferrous metal" and "nonferrous metal" have the same meanings prescribed in Section 44-1641.
3. "Pattern of gift giving" means two or more gifts that are the same or similar in type and monetary value.
4. "Position of trust and confidence" has the same meaning prescribed in Section 46-456.
5. "Property" includes all forms of real property and personal property.
6. "Vulnerable adult" has the same meaning prescribed in Section 46-451.

## **Arizona Revised Statutes Title 18, Section 18-303, (Public Communications Reporting)**

A. Every local government shall report to the department of administration all expenditures for communications that promote an individual elected public official and that include the official's name or physical likeness. This subsection does not apply to communications that are required by statute, ordinance or rule and activities that are conducted in the normal

course of the local government's operations, including routine communications such as regular agendas, notices, regular reports and minutes of meetings.

B. The department shall maintain a searchable database of these expenditures, including the type of medium and total expenditures.

## **Arizona Revised Statutes Title 18, Section 18-444, (Financial Disclosure Statement)**

---

A. In addition to other statements and reports required by law, every public officer, as a matter of public record, shall file with the secretary of state on a form prescribed by the secretary of state a verified financial disclosure statement covering the preceding calendar year. The statement shall disclose:

1. The name and home or work address of the public officer, whether the public officer's spouse is a member of the public officer's household, the number of minor children who are members of the public officer's household and all names and addresses under which each does business. If disclosure of the identity of the public officer's spouse or minor child would otherwise be required, a public officer may comply with the identification requirement by using the term "spouse" or "minor child", as applicable.
2. The name and address of each employer and of each other source of compensation other than gifts amounting to more than one thousand dollars received during the preceding calendar year by the public officer and members of his household in their own names, or by any other person for the use or benefit of the public officer or members of his household, a description of the services for which the compensation was received and the nature of the employer's business. This paragraph shall not be construed to require the disclosure of individual items of compensation that constituted a portion of the gross income of the business from which the public officer or members of his household derived compensation.
3. For a controlled business, a description of the goods or services provided by the business, and if any single source of compensation to the business during the preceding calendar year amounts to more than ten thousand dollars and is more than twenty-five percent of the gross income of the business, the disclosure shall also include a description of the goods or services provided to the source of compensation. For a dependent business the statement shall disclose a description of the goods or services provided by the business and a description of the goods or services provided to the source of compensation from which the dependent business derived the amount of gross income described in Section 38-541, paragraph 4. If the source of compensation for a controlled or dependent business is a business, the statement shall disclose a description of the business activities engaged in by the source of compensation.
4. The names and addresses of all businesses and trusts in which the public officer or members of his household, or any other person for the use or benefit of the public officer or members of his household, had an ownership or beneficial interest of over one thousand dollars at any time during the preceding calendar year, and the names and addresses of all businesses and trusts in which the public officer or any member of his household held any

office or had a fiduciary relationship at any time during the preceding calendar year, together with the amount or value of the interest and a description of the interest, office or relationship.

5. All Arizona real property interests and real property improvements, including specific location and approximate size, in which the public officer, any member of his household or a controlled or dependent business held legal title or a beneficial interest at any time during the preceding calendar year, and the value of any such interest, except that this paragraph does not apply to a real property interest and improvements thereon used as the primary personal residence or for the personal recreational use of the public officer. If a public officer, any member of his household or a controlled or dependent business acquired or divested any such interest during the preceding calendar year, he shall also disclose that the transaction was made and the date it occurred. If the controlled or dependent business is in the business of dealing in real property interests or improvements, disclosure need not include individual parcels or transactions as long as the aggregate value of all parcels of such property is reported.
6. The names and addresses of all creditors to whom the public officer or members of his household, in their own names or in the name of any other person, owed a debt of more than one thousand dollars or to whom a controlled business or a dependent business owed a debt of more than ten thousand dollars which was also more than thirty percent of the total business indebtedness at any time during the preceding calendar year, listing each such creditor. This paragraph shall not be construed to require the disclosure of debts owed by the public officer or any member of his household resulting from the ordinary conduct of a business other than a controlled or dependent business nor shall disclosure be required of credit card transactions, retail installment contracts, debts on residences or recreational property exempt from disclosure under paragraph 5 of this subsection, debts on motor vehicles not used for commercial purposes, debts secured by cash values on life insurance or debts owed to relatives. It is sufficient disclosure of a creditor if the name and address of a person to whom payments are made is disclosed. If the public officer, any member of his household or a controlled or dependent business incurred or discharged a debt which is reportable under this subsection during the preceding calendar year, the report shall disclose that the transaction was made and the date it occurred.
7. The identification and amount of each debt exceeding one thousand dollars owed at any time during the preceding calendar year to the public officer and members of his household in their own names, or to any other person for the use or benefit of the public officer or any member of his household. The disclosure shall include the identification and amount of each debt exceeding ten thousand dollars to a controlled business or dependent business which was also more than thirty percent of the total indebtedness to the business at any time during the preceding calendar year. This paragraph shall not be construed to require the disclosure of debts from the ordinary conduct

of a business other than a controlled or dependent business. If the public officer, any member of his household or a controlled or dependent business incurred or discharged a debt which is reportable under this subsection during the preceding year, the report shall disclose that the transaction was made and the date it occurred.

8. The name of each source of any gift, or accumulated gifts from a single source, of more than five hundred dollars received by the public officer and members of his household in their own names during the preceding calendar year, or by any other person for the use or benefit of the public officer or any member of his household except gifts received by will or by virtue of intestate succession, or received by way of distribution from any inter vivos or testamentary trust established by a spouse or by an ancestor, or gifts received from any other member of the household or relatives to the second degree of consanguinity.
9. A list of all business licenses issued to, held by or in which the public officer or any member of his household had an interest at any time during the preceding calendar year, including the name in which the license was issued, the type of business and its location.
10. A list of all bonds, together with their value, issued by this state or any political subdivision of this state and held at any time during the preceding calendar year by the public officer or any member of his household, which bonds issued by a single entity had a value in excess of one thousand dollars. If the public officer or any member of his household acquired or divested any bonds during

the preceding calendar year which are reportable under this paragraph, the fact that the transaction occurred and the date shall also be shown.

11. The name of each meeting, conference or other event where the public officer is participating in the public officer's official capacity if travel-related expenses of one thousand dollars or more were incurred on behalf of the public officer and the travel-related expenses are not paid by the public officer.

B. If an amount or value is required to be reported pursuant to this section, it is sufficient to report whether the amount or value of the equity interest falls within:

1. Category 1, one thousand dollars to twenty-five thousand dollars.
2. Category 2, more than twenty-five thousand dollars to one hundred thousand dollars.
3. Category 3, more than one hundred thousand dollars.

C. This section does not require the disclosure of any information that is privileged by law.

D. The statement required to be filed pursuant to subsection A shall be filed by all persons who qualified as public officers at any time during the preceding calendar year on or before January 31 of each year with the exceptions that a public officer appointed to fill a vacancy shall, within sixty days following his taking of such office, file a financial disclosure statement covering as his annual period the twelve month period ending with the last full month prior to the date of his taking office, and a public officer whose final term expires less than thirty-one days into the immediately following calendar year may file the public officer's final financial disclosure at the same time as the disclosure

for the last immediately preceding year.

E. The secretary of state shall prepare written guidelines, forms and samples for completing the financial disclosure statement required by this section. A copy of the guidelines, forms and samples shall be distributed to each public officer and shall be made available to each candidate required to file a financial disclosure statement pursuant to Section 38-543.

F. Beginning January 1, 2017, the statement required to be filed in subsection D of this section may be filed by the public officer in a form prescribed by the secretary of state that includes authorization for future filings to be submitted in an electronic format. Any subsequent filings required to be filed in subsection D of this section may be filed in an electronic format as prescribed by the secretary of state. Beginning January 1, 2017, any statements that are required to be filed by a local public officer pursuant to an ordinance, rule, resolution or regulation adopted pursuant to Section 38-545 may be filed in an electronic format as prescribed by the secretary of state.

## **Arizona Revised Statutes Title 41, Section 41-1232.08, (Municipal Officials Entertainment Ban)**

A. A principal, designated lobbyist, authorized lobbyist, lobbyist for compensation, public body, designated public lobbyist or authorized public lobbyist or any other person acting on that person's behalf shall not make an expenditure or single expenditure for entertainment for a state officer or state employee. A state officer or state employee shall not accept an expenditure or single expenditure for entertainment from a principal, designated lobbyist, authorized lobbyist, lobbyist for compensation, public body, designated public lobbyist or authorized public

lobbyist or any other person acting on that person's behalf.

B. A person who for compensation attempts to influence the procurement of materials, services or construction by an agency as defined in Section 41-1001, including the office of the governor, or the passage or defeat of legislation, ordinances, rules, regulations, nominations and other matters that are pending or proposed or that are subject to formal approval by the corporation commission, a county board of supervisors, a city or town governing body or a school district governing board or any person acting on that person's behalf shall not make an expenditure or single expenditure for entertainment for an elected or appointed member of the corporation commission, a county board of supervisors, a city or town governing body or a school district governing board. An elected or appointed member of the corporation commission, a county board of supervisors, a city or town governing body or a school district governing board shall not accept an expenditure or single expenditure for entertainment from a person who for compensation attempts to influence the procurement of materials, services or construction by an agency as defined in Section 41-1001, including the office of the governor, or the passage or defeat of legislation, ordinances, rules, regulations, nominations and other matters that are pending or proposed or that are subject to formal approval by the corporation commission, a county board of supervisors, a city or town governing body or a school district governing board.

C. This section shall not apply to:

1. Entertainment in connection with a special event properly reported pursuant to this article.
2. Entertainment that is incidental to a speaking engagement.
3. The following persons while attending



or participating in any sporting or cultural event or activity, sponsored by the board, district or institution, in a facility that is owned or operated by the board, district or institution:

- (a) Employees of a school district governing board.
- (b) Employees of a community college district governing board.
- (c) Employees of any institution under the jurisdiction of the Arizona board of regents.

D. The provisions of this article that define special events for legislators apply to special events for members of the Arizona board of regents.

**Arizona Revised Statutes  
Title 38, Sections 38-431-  
431.09, (Open Meeting  
Laws). See Open Meeting  
Laws Handbook published  
by the Phoenix City Clerk  
Department**

**Arizona Revised Statutes  
Title 39, Sections 39-121-  
121.03, (Arizona Public  
Records Act). See Arizona  
Public Records Handbook  
published by the Phoenix City  
Clerk Department**



# Appendix C:

## Gift Disclosure Forms



## City of Phoenix

### GIFT DISCLOSURE - ELECTED OFFICIAL

**Year:** \_\_\_\_\_

**Quarter:**         **First**      (Gifts received in January – March; file by April 30)  
                           **Second**      (Gifts received in April – June, file by July 30)  
                           **Third**      (Gifts received in July – September, file by October 30)  
                           **Fourth**      (Gifts received in October – December, file by January 30 of following year)

If disclosure of a gift is required, this Gift Disclosure form must be filed with the City Clerk within 30 calendar days following the end of the calendar quarter in which the gift was received. Refer to Phoenix City Code §2-52(D) for disclosure requirements and §2-52(A)(7) for the definition of a "Gift".

**Full Name of Recipient:** \_\_\_\_\_

Date Gift Received	Estimated Fair Market Value	Brief Description of Gift	Full Name of Gift Giver	Gift Giver Organization Affiliation

☐ Continued on back side of form

☐ By checking this box and typing my name below, the undersigned does hereby state under penalty of perjury that all of the information provided in this Gift Disclosure form is filed timely and is true and correct to the best of my knowledge; and by typing my name below I acknowledge that such action constitutes the legal equivalent of signing my name and I hereby waive any requirement that this form be notarized in order to be legally enforceable.

Typed Name: \_\_\_\_\_ Date: \_\_\_\_\_

**How to file:** Email the completed form to [mailbox.city.clerk.department@phoenix.gov](mailto:mailbox.city.clerk.department@phoenix.gov) or mail to the City of Phoenix, City Clerk Department, Records & Elections Division, 200 West Washington Street, 15th Floor, Phoenix, AZ 85003-1611



## City of Phoenix

# SPECIAL OCCASION GIFT WAIVER REQUEST ELECTED OFFICIALS AND BOARD AND COMMISSION MEMBERS

Phoenix City Code § 2-52(c)(4)

This form is for use by City of Phoenix elected officials and board and commission members to request a waiver of the gift rules in City Code Section 2-52(D) for gifts received in connection with a special or unusual occasion. **Upon approval by the Ethics Commission, please file this form with the City Clerk.**

**REQUEST FOR WAIVER OF:** ☐ **Receipt of Gifts** ☐ **Disclosure of Gifts**

Name of Requestor: \_\_\_\_\_

Requestor Status: ☐ Elected Official ☐ Board/Commission Member

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Occasion: ☐ Wedding/Engagement ☐ Birth/adoption of child ☐ Death in family

Date of Occasion (or anticipated date): \_\_\_\_\_

### CONDITIONS FOR APPROVAL

Notwithstanding the grant of this waiver, you should exercise caution in accepting any gift that likely would not have been offered but for your status as an elected official, board or commission member, employee or volunteer. With regard to any such gift, you should consider its source, nature, and value, as well as any possible conflict of interest with official duties. Any gift that creates the appearance of undue influence or a conflict of interest is prohibited.

☐ By checking this box and typing my name below, the undersigned does hereby state under penalty of perjury that all of the information provided in the Special Occasion Gift Waiver Request form is true and correct to the best of my knowledge and by typing my name below I acknowledge that such action constitutes the legal equivalent of signing my name and I hereby waive any requirement that this form be notarized in order to be legally enforceable.

Acknowledged and Submitted By:

Typed Name: \_\_\_\_\_ Date: \_\_\_\_\_

### ETHICS COMMISSION APPROVAL

#### Request Approved by

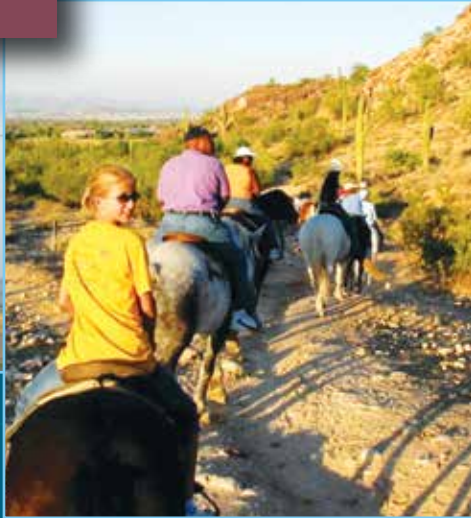
\_\_\_\_\_  
Authorized Signature of Ethics Commission

\_\_\_\_\_  
Date

*Note: This approval only applies to the City of Phoenix Gift requirements. It does not provide a waiver of any federal or state requirements.*

**How to file:** Email the completed form to [mailbox.city.clerk.department@phoenix.gov](mailto:mailbox.city.clerk.department@phoenix.gov) or mail to the City of Phoenix, City Clerk Department, Records & Elections Division, 200 West Washington Street, 15th Floor, Phoenix, AZ 85003-1611





ORDINANCE NO. 3675

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AMENDING ARTICLE II OF CHAPTER 2 OF THE SCOTTSDALE REVISED CODE, RELATING TO THE CITY COUNCIL, TO ADD DIVISIONS 3 AND 4, A CODE OF ETHICAL BEHAVIOR FOR CITY OFFICERS, AND AMENDING DIVISION 1 OF ARTICLE V OF CHAPTER 2 OF THE SCOTTSDALE REVISED CODE, RELATING TO BOARDS AND COMMISSIONS, TO ADD SECTION 2-243, MAKING THE CODE OF ETHICAL BEHAVIOR APPLICABLE TO MEMBERS OF CITY BOARDS AND COMMISSIONS.

WHEREAS, on September 20, 2005, the Scottsdale City Council, in response to a citizen's petition and after receiving a report from City staff, established the City of Scottsdale Citizen Code of Ethics Task Force ("Task Force"), charging it with recommending a code of ethics or ethics policy for the City Council and members of City boards and commissions; and

WHEREAS, on October 4, 2005, the City Council appointed seven Scottsdale citizens to serve as members of the Task Force; and

WHEREAS, over the four months following the appointment of the members of the Task Force it engaged in research, discussion, and debate about the best course of action for the City of Scottsdale, holding ten public meetings and receiving information and receiving comments from numerous citizens, who contributed to the final product by sharing their insights and perspectives; and

WHEREAS, on April 3, 2006, the Task Force presented its Final Report to the Mayor and City Council, which included several recommendations to promote ethical behavior in Scottsdale city government, one of which was to adopt as an ordinance the City of Scottsdale Code of Ethical Behavior, which was presented as a part of the Final Report; and

WHEREAS, the City Council believes that the adoption of the proposed Code of Ethical Behavior, along with the City of Scottsdale Public Service Ethics Program, relating to elected and appointed officials of the City; including the Mayor, City Council members, and members of all City boards, commissions, committees, task forces, and other appointed advisory groups (collectively "City Officials"), is in the best interests of the City and its residents to promote ethical behavior by City Officials.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. Article II of Chapter 2 of the Scottsdale Revised Code, relating to the City Council, is hereby amended to add Divisions 3 and 4, a Code of Ethical Behavior for City Officers, which shall read as follows, reserving sections 2-45 and 2-46:

DIVISION 3. CODE OF ETHICAL BEHAVIOR: GENERAL

**Sec. 2-47. Definitions.**

The following words, terms and phrases, when used in divisions 3 and 4 of this article of the Code shall have the meanings ascribed to them in this section, except where the context clearly

indicates a different meaning:

*City official* means the mayor, members of the city council, and individuals appointed to serve on the city's boards, commissions, committees, task forces, and other appointed advisory groups.

*City of Scottsdale Code of Ethical Behavior* means the provisions set forth in divisions 3 and 4 of this article.

*Ethics code* means the City of Scottsdale Code of Ethical Behavior.

#### **Sec. 2-48. Ethics policy.**

(a) It is the policy of the City of Scottsdale to uphold, promote, and demand the highest standards of ethical behavior from its mayor, members of the city council, and individuals appointed to serve on the city's boards, commissions, committees, task forces, and other appointed advisory groups. Honesty, integrity, fairness, and transparency of action are the hallmarks of public service in Scottsdale. Use of one's office or position for personal gain or inappropriate influence will not be tolerated.

(b) All city officials shall obey and observe the letter and spirit of the constitution and laws of the United States of America, the constitution and laws of the State of Arizona, and the charter, laws, and policies of the City of Scottsdale applicable to city officials, including the city's ethics code. A listing of key public service ethics laws is shown below.<sup>1</sup>

(c) As a prerequisite for exercising any power of office, each city official is required to read and agree in writing to comply with the provisions of these laws, regulations, policies and this ethics code, as well as to participate annually in continuing education workshops regarding public service ethics.

(d) Federal, state, and city laws provide the legal framework governing public service ethics. Within these laws the city has identified in sections 2-49 through 2-54 of this article the specific areas where clarification and emphasis of the intent and spirit of ethical standards are most warranted.

#### **Sec. 2-49. Conflicts of interests.**

(a) Arizona law prevents local governments from imposing different conflicts of interests laws than state law. To provide guidance to city officials, Scottsdale interprets Arizona's conflicts of interests laws as follows.

(b) A conflict of interests arises when a city official, a relative of that official, or an entity in which a city official has a substantial interest is actively engaged in an activity that involves the city's decision-making processes. "Decision-making processes" is broader than just voting and includes being involved with any aspects of any decisions the city makes, such as contracting, sales, purchases, permitting, and zoning.

(c) When a conflict of interests arises, the city official involved must immediately refrain from participating in any manner in the city's decision-making processes on the matter as a city official, including voting on the matter or attending meetings with, having written or verbal communications with, or offering advice to any member of the city council, or any city employee, contractor, agent,

---

<sup>1</sup> See Exhibit A to this Ordinance No. 3675.



charter officer, or member of a city board, commission, committee, task force, other appointed advisory group, or agency (other than the city attorney when the city official is seeking legal advice regarding a possible conflict). In addition, within three business days the city official must declare the specific nature of the interest on the public record by updating her or his Personal Interest Disclosure Form in the city clerk's office.

(d) During a public meeting when an agenda item in which a city official has a conflict of interests comes up for consideration, the city official shall state publicly that he or she has a conflict, recuse himself or herself, and leave the room while the matter is being discussed and acted upon by others on the public body.

(e) In situations where a city official has a question about the applicability of this ethics code or the provisions of Arizona's conflicts of interests laws, the city charter, or any city ordinance, a ruling may be sought from the city attorney on whether an actual conflict of interests exists. City officials are strongly encouraged to avoid involvement in situations where a ruling declares no technical conflict of interests, but where active participation might raise the perception of undue influence or impropriety.

(f) As a prerequisite for exercising any power of office, a city official is required to read, complete, and submit to the city clerk the Personal Interest Disclosure Form, shown below,<sup>2</sup> before participating in her or his first meeting and before January 31 of every year of continued service to the city.

#### **Sec. 2-50. Gifts; prohibited; exceptions.**

(a) City officials are prohibited from soliciting, receiving, or accepting gifts of any kind from anyone who is engaged in a general practice or specific situation that involves the city's decision-making or permitting processes, except as exempted below. The term "gifts of any kind" includes money, services, loans, travel, entertainment, hospitality (including meals), promises of any future gifts, or anything of value that might be construed as an attempt to create a more favorable relationship than that enjoyed by any other citizen, including: (a) the purchase, sale, or lease of any real or personal property by the city official, that official's relative, or an entity in which that official has a financial interest at a value below or above that available to the general public, and (b) employment and/or services, contracts, direct or indirect, by a city official, that official's relative, or an entity in which that official or relative has a financial interest.

(b) Exemptions include entertainment, hospitality (including meals), transportation, and token mementoes directly associated with events that an official is attending as a representative of the city. If any gift or personal benefit is permissible and exceeds \$25 in value, then the city official must declare it to the city clerk as provided in the Scottsdale Revised Code Section 14-135, unless reporting is not required by the Code provision.

#### **Sec. 2-51. Open government.**

(a) The citizens of Scottsdale expect and deserve open government. Arizona has an official public policy "that meetings of public bodies be conducted openly" and that any doubt should always be resolved "in favor of open and public meetings" (A.R.S. § 38-431.09). The city council has adopted a formal goal of "Open and Responsive Government: Make government accessible, responsive and accountable so that decisions reflect community input and expectations" (Nov. 4, 2004 Mission and Goals). And Scottsdale citizens have voted in favor of a Vision Statement that

---

<sup>2</sup> See Exhibit B to this Ordinance No. 3675.

"Scottsdale will be a leader in promoting open government processes that are accessible, responsive, and fair to all of its citizen participants" (City of Scottsdale General Plan 2001, page 87).

(b) Therefore, city officials shall conduct themselves in a manner that fully adheres to and preferably exceeds state laws concerning open meetings and transparency of actions. Indeed, city officials are encouraged to employ a "mindset of openness" in conducting the affairs of the city and should be cautious before voting to hold a portion of a meeting in executive session. Moreover, city officials are reminded that any attempt to circumvent the Open Meeting Law -- such as by using technology, a "hub-and-spoke" scheme, or any other technique involving less than a quorum yet designed to communicate with a quorum of the public body -- can violate the Open Meeting Law. City officials also shall show no favoritism on who has access to or receives relevant information on matters under consideration or of general public interest.

(c) The city attorney is encouraged to vigorously promote and enforce state laws regulating open meetings, and be proactive and assertive in ensuring strict adherence to those laws reflecting the city's "mindset of openness."

#### **Sec. 2-52. Open meeting laws; executive sessions.**

(a) Arizona law recognizes that there are very narrowly limited occasions when the public's interests are best protected by the public body meeting in closed executive session. To honor the mindset of openness, city officials should consider that, although state law allows discussion of certain limited matters in executive session, closed meetings should be utilized as infrequently as possible and only in clearly compelling circumstances.

(b) In addition to complying with the Open Meeting Law requirement that a majority of the public body vote in favor of meeting in closed executive session, Scottsdale public bodies will first introduce the item on the agenda, hear the need to go into executive session explained, receive the assent of the city attorney (or designee) that the matter would be an appropriate use of the executive session exception, and then vote to see if a majority of the public body agrees there is a legitimate need to go into executive session.

(c) To ensure strict compliance with state law, the city attorney (or designee) shall be present at and actively protect the letter and spirit of the Open Meeting Law in all council meetings, all council executive sessions, and all executive sessions to be held by any other city board, commission, committee, task force, or other appointed advisory group. While in executive session, the city attorney (or designee) shall ensure that all discussions and consultations that take place fit within the bounds of what is allowed and appropriate under a strict and tight interpretation of Arizona's Open Meeting Law. All other questions and discussions related to that same issue shall be posed and addressed only in a public forum either prior to or following the executive session.

(d) The city attorney (or designee) will not attend those portions of executive sessions involving personnel matters, pursuant to A.R.S. § 38-431.03(A)(1), relating to the city auditor, city clerk, city judge, associate city judges, city manager, or city treasurer, but may attend if requested to do so by the city council.

(e) Before leaving the executive session, the city attorney (or designee) shall remind those present in the closed executive session that Arizona law (a) mandates that all discussions within and minutes of executive sessions are strictly confidential for all time, and (b) prohibits attendees from revealing to anyone, including family members, any part of any discussion that took place in executive session.

**Sec. 2-53. Preservation and availability of public documents.**

(a) Consistent with Arizona's Public Records Laws, written communications between public officials and private citizens on matters explicitly involving the affairs of the city are considered public documents. Such written communications shall be preserved in compliance with the city's document retention policy and made available for review upon request.

(b) "Written communications" includes city-related e-mail messages and attachments originating from or received by elected or appointed officials on any publicly or privately owned equipment at city hall, the city official's place of employment, private residence, or remote locations. Destruction of such communications prior to the expiration of the time period specified in the city's document retention policy is prohibited.

(c) The city's electronic messaging systems and electronic communications systems (including telephones) are to be used for official city business only, except for limited personal uses (e.g., asking a person to lunch or a social event, checking on the welfare of family members, scheduling or canceling a doctor's appointment). City officials are prohibited from using the city's official e-mail service for commercial purposes or other inappropriate uses.

**Sec. 2-54. Undue influence on subordinates.**

(a) Under the city's charter, administrative authority is vested solely in the city manager. Members of the city council may make inquiries to city staff. Members of the city council may not interfere with the city manager's authority, however, by giving orders or explicit directions or requests, publicly or privately, regarding city matters to any subordinates of the city manager, and they shall not attempt to exert influence on the city manager on issues relating to the hiring or removal of persons employed by the city.

(b) All city officials shall respect the orderly lines of authority within city government.

**DIVISION 4. CODE OF ETHICAL BEHAVIOR: ENFORCEMENT**

**Sec. 2-55. Filing complaints.**

(a) Contents. Any person who believes a city official in her or his official capacity has violated a mandatory requirement or prohibition in the City of Scottsdale Code of Ethical Behavior, set forth in division 3 of this article, above, or violated any state or city law may file a sworn complaint with the city attorney identifying:

- (1) The complainant's name, address, and telephone number;
- (2) The name and position of the city official who is the subject of the complaint;
- (3) The nature of the alleged violation, including the specific provision of the ethics code or law allegedly violated;
- (4) A statement of facts constituting the alleged violation and the dates on which or period of time in which the alleged violation occurred;
- (5) All documents or other material in the complainant's possession that are relevant to the allegation, a list of all documents or other material relevant to the allegation that are available to the complainant but not in the complainant's possession, and a list of all other documents or other material relevant to the allegations but unavailable to the complainant, including the location of the documents, if known;
- (6) A list of witnesses, what they may know, and their contact information, if known; and

(7) If the alleged violation occurred more than ninety days before the sworn complaint is filed with the city attorney, then the complaint must identify the date the complainant learned of the alleged violation and provide a statement of the facts surrounding the discovery of the violation, a list of the persons with knowledge about the date the violation was discovered, and a summary of the information they possess about the discovery.

The complaint shall include an affidavit stating that the information contained in the complaint is true and correct, or that the complainant has good reason to believe and does believe that the facts alleged constitute a violation of the ethics code. If the complaint is based on information and belief, the complaint shall identify the basis of the information and belief, including all sources, contact information for those sources, and how and when the information and/or belief was conveyed to the complainant by those sources. The complainant shall swear to the facts by oath before a notary public or other person authorized by law to administer oaths under penalty of perjury.

(b) Time for filing. A complaint must be filed on or before the 365<sup>th</sup> day after the violation is alleged to have occurred or the 90<sup>th</sup> day after the violation was discovered, whichever date is earlier.

(c) False or frivolous complaints. A person who knowingly makes a false, misleading, or unsubstantiated statement in a complaint is subject to criminal prosecution for perjury and potential civil liability for, among other possible causes of action, defamation. If after reviewing an ethics complaint it is determined that a sworn complaint is groundless and appears to have been filed in bad faith or for the purpose of harassment, or that intentionally false or malicious information has been provided under penalty of perjury, then the city attorney may refer the matter to the appropriate law enforcement authority for possible prosecution. A city official who seeks to take civil action regarding any such complaint shall do so at her or his expense.

(d) Elections complaints. Any complaints relating to city elections shall be filed with or referred to the city clerk for review and disposition as provided by law.

**Sec. 2-56. Complaints against members of boards, commissions, committees, task forces, and other appointed advisory groups.**

(a) Initial screening of complaints. The city attorney shall review each complaint filed alleging a violation by a member of a city board, commission, committee, task force, and other appointed advisory group and within fifteen days either:

- (1) Return it for being incomplete;
- (2) Dismiss it for being untimely;
- (3) Dismiss it if the complaint on its face fails to state allegations that, if true, would violate a mandatory requirement or prohibition – as opposed to an aspirational or administrative provision – of the ethics code or any laws;
- (4) Dismiss it as being without merit and refer it to the appropriate authorities for action against the complainant if the city attorney determines the complaint was false, misleading, frivolous, or unsubstantiated;
- (5) Refer alleged violations of Arizona or federal laws to an appropriate law enforcement agency if the complaint states on its face allegations that, if true, would constitute a violation of Arizona or federal law; or
- (6) If the complaint states on its face allegations that, if true, would constitute a violation of a mandatory requirement or prohibition (as opposed to aspirational or administrative provisions) of the city's Code of Ethical Behavior or a city law, take action as set forth below.

In all circumstances, the city attorney shall simultaneously notify in writing the complainant, the city official subject to the complaint, and the city clerk regarding the action taken.

(b) Review and findings. For ethics complaints alleging violations of the city's Code of Ethical Behavior or a city law that proceed for additional review, the city attorney shall investigate the allegations and, within thirty days (unless the city attorney requests a fifteen day extension that is granted in writing by the mayor or vice mayor), submit to the city council, the complainant, the official who is the subject of the complaint, and the city clerk a report with findings of fact, conclusions of law, and a recommendation. The city council shall consider the city attorney's report at a public meeting. If the city council finds an ethical violation, then it may remove the member from the city board, commission, committee, task force, or other appointed advisory group. In resolving a complaint, the totality of the circumstances shall be taken into consideration, including the intent of the person accused of wrongdoing.

**Sec. 2-57. Complaints against the mayor and members of the city council.**

(a) Independent ethics reviewers. The city shall use independent, non-city personnel to handle ethics complaints lodged against the mayor and members of the city council (and to handle any ethics complaints filed against a member of a city board, commission, committee, task force, or other appointed advisory group if the city attorney would have a conflict of interests in handling that complaint). The city attorney, in compliance with applicable provisions of the city Procurement Code, shall select a pool of ten to twelve individuals who could serve as the city's independent ethics reviewers to handle ethics complaints lodged against the mayor and members of the city council. To be eligible for selection, individuals must be retired federal or state judges or faculty members at the law schools at Arizona State University or the University of Arizona who do not live in Scottsdale and do not work for firms or employers that regularly have business in Scottsdale or represent clients in Scottsdale. In the event the city attorney cannot select a sufficient number of eligible people who can perform the necessary services, then the city attorney may complete the pool by selecting independent qualified attorneys who do not live or office in Scottsdale and whose firms or employers do not regularly have business in Scottsdale or represent clients in Scottsdale. At least two-thirds of the independent ethics reviewers shall be retired judges or law school faculty members. Individuals who serve as the city's independent ethics reviewers shall do so as the city's agents and enjoy the city's full liability protection and immunity as allowed by law. Each year the city attorney shall nominate one person from the independent ethics reviewers to serve as the city's "independent ethics officer," and the other independent ethics reviewers will either confirm the nominee or select another reviewer from the pool. The independent ethics officer shall not serve in that role for more than one consecutive year.

(b) Initial screening of complaints. The city attorney shall immediately transfer any complaint filed against the mayor or members of the city council to the city's independent ethics officer, who will conduct the initial screening of the complaint and within fifteen days issue a report of findings and conclusions and recommend that the city attorney handle the complaint as follows:

- (1) Return it for being incomplete;
- (2) Dismiss it for being untimely;
- (3) Dismiss it if the complaint on its face fails to state allegations that, if true, would violate a mandatory requirement or prohibition – as opposed to an aspirational or administrative provision – of the ethics code or any laws;
- (4) Dismiss it as being without merit and refer it to the appropriate authorities for action against the complainant if the independent ethics officer determines the complaint was false, misleading, frivolous, or unsubstantiated;
- (5) Refer alleged violations of Arizona or federal laws to an appropriate law enforcement agency if the complaint states on its face allegations that, if true, would constitute a violation of Arizona or federal law; or
- (6) If the complaint states on its face allegations that, if true, would constitute a violation of a mandatory requirement or prohibition (as opposed to aspirational or administrative provisions) of

the city's Code of Ethical Behavior or a city law, refer the matter to an independent ethics panel for further action as set forth in subsection (c) below.

In all circumstances, the city attorney shall follow the independent ethics officer's recommendation and notify in writing the complainant, the city official subject to the complaint, and the city clerk regarding the action taken.

(c) Review and findings. If the independent ethics officer recommends referral of a complaint to an independent ethics panel for further review, then the city attorney shall immediately transfer the complaint to an ethics panel consisting of three independent ethics reviewers selected by the independent ethics officer from the pool of eligible individuals. The members of the ethics panel shall investigate the complaint and report to the city council, the complainant, the official who is the subject of the complaint, the city attorney, and the city clerk its findings of fact and conclusions of law within sixty days (unless the panel requests a thirty day extension that is granted in writing by the independent ethics officer). The city council shall consider the ethics panel's report at a public meeting and either accept or reject the ethics panel's report as submitted.

#### **Sec. 2-58. Review of complaints.**

(a) Presumptions. The city attorney's recommendation to refer a complaint for further review does not mean that any of the complaint's allegations are true or that any city official has violated this ethics code or any law.

(b) Procedures. The city attorney will adopt written rules of procedure to govern the review process, including the right of a city official against whom the complaint has been lodged to respond to the complaint, attend any hearing, and present witnesses and other evidence on her or his own behalf.

(c) Expedite. The timelines for handling complaints set forth above set the outer limits. Reviewers and decision-makers are strongly encouraged to make their findings, recommendations, and decisions as expeditiously as possible for the sake of the public and the city officials against whom complaints have been filed.

(d) Public information regarding action taken and reports issued. On the same day the city attorney notifies a complainant of the action taken on a complaint as set forth in subsections 2-56(a) and 2-57(b) of this Code, above, and on the same day the city attorney issues a report to the city council regarding complaints against members of city boards, commissions, committees, task forces, or other appointed advisory groups as set forth in subsection 2-56(b) of this Code, above, or an ethics panel issues a report to the city council regarding complaints against the mayor or a member of the city council as set forth in subsection 2-57(c) of this Code, above, copies of those notices and reports shall be filed with the city clerk and made available to the public as public records.

(e) Inapplicable provisions. The provisions of section 1-8 of this Code are inapplicable to divisions 3 and 4 of this article.

#### **Sec. 2-59. Effective date; prospective application.**

Divisions 3 and 4 of this article II of chapter 2 of this Code are effective on and after July 1, 2006. The provisions of these divisions shall apply prospectively only to acts that are alleged to have occurred on or after the effective date.

Section 2. Division 1 of Article V of Chapter 2 of the Scottsdale Revised Code, relating to boards and commissions is hereby amended to add section 2-243, relating to the Code of Ethical Behavior, which shall read as follows:

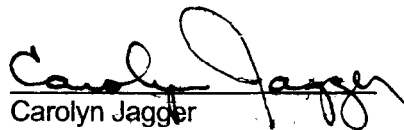
**Sec. 2-243. Code of Ethical Behavior**


The provisions of the City of Scottsdale Code of Ethical Behavior, as set forth in Divisions 3 and 4 of Article II of this chapter, apply to all members of city appointive boards and commissions.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Arizona, this 2nd day of May 2006.

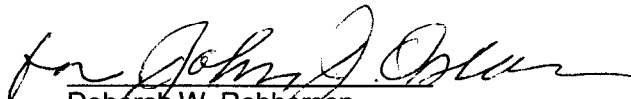
CITY OF SCOTTSDALE, an  
Arizona municipal corporation,

ATTEST:

  
Carolyn Jagger  
City Clerk

  
Mary Manross  
Mayor

APPROVED AS TO FORM:

  
Deborah W. Robberson  
City Attorney



**City of Scottsdale**  
**Sampling of Public Service Ethics Laws Applicable to City Officials**  
**(Mayor, City Council Members, and Members of All City Boards, Commissions, and Committees)**

Topic	Arizona Law	Scottsdale Law	General Summary <sup>1</sup>	Penalties & Sanctions <sup>2</sup>
Bribery	A.R.S. §§ 13-2602; 38-444		It is illegal for you to solicit, accept, or agree to accept any benefit upon an understanding that it may influence your official conduct, or to ask for or receive any gratuity of reward (or promise thereof) for your official act.	felony
Conflicts of Interests (general)	A.R.S. §§ 38-501 through -511	Charter Art. 8, § 6	If you or any relative could benefit from you taking official action, then you must (1) <i>disqualify</i> yourself by not participating "in any manner" – not voting, not discussing, not anything, and (2) <i>disclose</i> that personal interest.	felony or misdemeanor, more
Contracting with the City	A.R.S. §§ 38-503, 36-1406, -1477	Charter Art. 8, § 5	If you or any relative has a substantial interest in "any contract, sale, purchase or service" to the City, then you must disclose that interest and "refrain from voting upon or ... participating in any manner."	felony or misdemeanor; cancel contract
Conduct After Leaving City Position ("Anti-Revolving Door")	A.R.S. § 38-504(A)		For 12 months after your City service, you cannot represent another person for compensation before the City in connection with any matter in which you personally participated in a substantial and material way.	felony or misdemeanor
Confidential Information (Disclosure/Use of)	A.R.S. § 38-504(B)		During and for two years after your City service, it is illegal for you to disclose or use for personal profit any confidential information you learned in the course of your duties.	felony or misdemeanor; more
Discrimination & Favoritism	Constitutions, plus statutes; ARS § 38-231(G)		It is illegal to discriminate based on race, color, gender, national origin, religion, age, or physical or mental disability; plus, in your Loyalty Oath you pledged to "faithfully and <i>impartially</i> discharge the duties of...office."	attorneys fees, damages, more
E-mail	A.R.S. §§ 39-121; 38-431 <i>et seq.</i>		Your e-mail communications are subject to the Public Records Law, and improper e-mail involving a quorum of the members of a public body may violate the Open Meeting Law.	attorneys fees, costs, more
Employment of Relatives ("Nepotism")	A.R.S. § 38-481	S.R.C. § 14-134(b) (Council only)	You may not be involved in the appointment or hiring of a relative (which is defined broadly to include your parents, siblings, spouse, children, grandchildren, grandparents, and all in-laws).	misdemeanor
Employment – Discussion of Future Employment	A.R.S. §§ 38-503, -504(C)		If you engage in certain discussions about future employment, then it might trigger bribery or conflicts of interests laws.	felony or misdemeanor

<sup>1</sup> CAUTION: These brief descriptions are provided for quick introductory purposes and cannot and do not present the full scope of these laws.

<sup>2</sup> Violations of these laws may expose a City official to a variety of sanctions, including criminal penalties, personal financial liability (for damages and fines, as well as payment of costs and attorneys fees – both prosecution and defense), cancellation of contracts, public embarrassment (for the official and her or his family and employer), and removal from office. For example, a City official convicted of a felony may be fined up to \$150,000 for each violation and sent to prison for several years. A.R.S. §§ 13-801, -701. Conviction of a misdemeanor may result in a fine up to \$2,500 for each violation and a jail sentence of up to six months. A.R.S. §§ 13-802, -707. This information is presented not to scare City officials, but to help them by underscoring the seriousness of conducting the public's business properly.

Employment – Incompatible	A.R.S. § 38-505		Certain outside employment could trigger conflicts of interests laws.	depends on the facts
Employment – Representing Others Before the City	A.R.S. § 38-504		During your City service, it is illegal for you to represent another person for compensation in connection with any matter in which you will personally participate in a substantial and material way as a City official.	felony or misdemeanor
Entertainment (attending or participating in a cultural or sporting event)	A.R.S. § 41-1232.08(B) [only applies to City Council]		It is illegal for the Mayor or a Council member to accept from a “compensated lobbyist” “an expenditure or single expenditure for <i>entertainment</i> ” (defined broadly to mean not only <i>attending</i> any sporting or cultural event, but also <i>participating</i> in any cultural or sporting event, such as golf).	misdemeanor
Extra Compensation	A.R.S. § 38-505	S.R.C. § 14-135(c)	It is illegal for any City official to receive any money (except the salaries the City pays the Mayor and Council members) or anything of value for any service rendered in connection with performing their official duties.	felony or misdemeanor
Financial Disclosures [NOTE: Council only]	A.R.S. § 38-545 (which requires City adopt same)	S.R.C. §§ 2-76 thru -78	It is illegal for Council members to fail to file, or knowingly file an incomplete personal financial disclosure statement (which are designed to help you identify and avoid potential conflicts of interests).	misdemeanor
Gifts & Things of Value		S.R.C. § 14-135 (b), (c), (d)	“No gifts, gratuities, or other benefits or items of value shall be solicited” and “[g]ifts and other personal benefits or items of value shall not be accepted if acceptance could be... construed as an attempt to exert improper influence.” Gifts worth more than \$25 must be reported to the City Clerk.	ethics code investigation and public report
Misuse of Public Resources (see “Theft” below)	A.R.S. §§ 13-1802, -2310, -2316		City officials may use City resources only to the extent those resources are available to the public (e.g., if the public is charged 20¢ page for copying, then a City official must pay the same). Otherwise, it is theft (see below).	felony or misdemeanor
Open Meetings	A.R.S. § 38-431 through -431.09	Charter Art.2 § 12 (Council only)	“It is the policy of this state that meetings of public bodies be conducted openly ... and interpretations of this [law] shall construe any provision ... in favor of open and public meetings.”	action null & void; attys fees; more
Political Activities	A.R.S. § 9-500.14		It is illegal to use city personnel/ resources to influence non-bond elections.	
Public Monies	A.R.S. § 35-301	Charter Art.8 § 3	If you handle or spend public monies, then you need to be extra cautious and recognize that special rules and obligations apply, including the City’s procurement processes.	felony
Public Records – Access to	A.R.S. § 39-121, <i>et seq.</i> , plus more	Charter Art.13 § 1	Arizona law has a strong presumption that records shall be open to public inspection, but with hundreds of exemptions, you should seek immediate help from the City Attorney if you get a public records request.	range: attorneys fees & costs
Public Records – Tampering with	A.R.S. § 13-2407		It is illegal to “tamper with a public record” by making a false document purporting to be a public record, altering or making a false entry, destroying, removing, hiding, or otherwise impairing a public record.	felony
Solicitation of Gifts & Things of Value	A.R.S. § 38-504(C)	S.R.C. § 14-135	It is illegal to use or attempt to use your official position to get any valuable thing or benefit that you would not ordinarily get. (See also “Bribery” and “Gifts” above.)	felony or misdemeanor
Theft of City Property, Resources, or Services	A.R.S. § 13-1802		Unauthorized (such as personal) use of City resources (facilities, equipment, personnel, supplies) can be considered “theft,” which is the taking or unauthorized use of another person’s property (including the City’s).	felony or misdemeanor
Travel	A.R.S. §§ 13-1803, -2407		Unauthorized use of a City vehicle can constitute “unlawful use of means of transportation,” and submitting a false travel or expense report is “tampering with a public record.”	felony

Undue Influence [NOTE: Council only]		Charter Art.2 § 17 (Council only)	Council members "shall deal with the administrative service solely through the city manager" and shall not direct or request the City Manager appoint or remove any city employee.	ethics code investigation and report
-----------------------------------------	--	--------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------

**City of Scottsdale**  
**Personal Interest Disclosure Form**

Pursuant to the City of Scottsdale Code of Ethical Behavior, all City officials (the Mayor, members of the City Council, and members of all City boards, commissions, committees, task forces, and other appointed advisory groups), before participating in their first meeting and before January 31 every year thereafter that they serve the City, must complete and submit a Personal Interest Disclosure Form to the City Clerk's Office. The purpose of the form is to help City officials by alerting and reminding them of their need to avoid participating in any manner on behalf of Scottsdale when a conflict arises between their official City duties and their personal interests (or the interests of their relatives).

Two definitions are very important because violating Arizona's conflicts of interests laws is a criminal offense and can lead to serious consequences.

1. Arizona law requires that if a public officer of a public agency, or her or his relative has a *substantial interest* in any contract, sale, purchase or service to the public agency, or an official decision of the public agency, then that officer "shall make known that interest in the official records of the public agency and shall refrain from voting upon or *otherwise participating in any manner* as an officer or employee" regarding that matter. (A.R.S. § 38-503). *Substantial interest* means a pecuniary (money/financial) or propriety (property) interest, direct or indirect, except certain specific, limited *remote interests* listed in the statute. (A.R.S. § 38-502). By listing "voting" and "otherwise participating in any manner" separately, the Legislature has made clear that if you have a conflict, then you must immediately refrain from taking *any* action in your official position; you may not do anything – vote, talk, discuss, write, wink, or nod – to try to influence the decision or any decision-makers.

2. The definition of relative is quite sweeping, and includes your "spouse, child, child's child [grandchildren], parent, grandparents, brother or sister [and step-brother or step-sister], and their spouses and the parent, brother, sister or child of a spouse." A.R.S. § 38-502(9).

If after you complete this form another substantial interest surfaces that was not anticipated, then you are obligated to immediately refrain from participating in the decision-making process and, within three business days, update this form to disclose the interest in the City Clerk's Office. If you have any questions, please contact the City Attorney's Office with as much lead time as possible.

1. Identify the decision or other matter in which you or a relative may have a substantial interest.  
(Attach another page if more space is needed.)

2. Describe each substantial interest referred to above. (Attach another page if more space is needed.)

**Statement of Disqualification**

To avoid any possible conflict of interests, I will refrain from participating in any manner in the matter(s) identified above.

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Position in the City of Scottsdale

**EXHIBIT B**

ADOPTED BY THE  
MAYOR AND COUNCIL

August 6, 2013

ORDINANCE NO. 11102

RELATING TO ETHICS AND RULES OF CONDUCT; ADOPTING A CITY OF  
TUCSON CODE OF ETHICS; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF  
TUCSON, ARIZONA, AS FOLLOWS:

SECTION 1. That the City of Tucson Code of Ethics for Elected Officials,  
All City Employees, and Members of City Boards, Committees and Commissions,  
attached to this Ordinance as Exhibit A, is hereby adopted and approved.

SECTION 2. The various City officers and employees are authorized and  
directed to perform all acts necessary or desirable to give effect to this  
Ordinance.


SECTION 3. WHEREAS, it is necessary for the preservation of the  
peace, health, and safety of the City of Tucson that this Ordinance become

...

...

immediately effective, an emergency is hereby declared to exist and this Ordinance shall be effective immediately upon its passage and adoption.

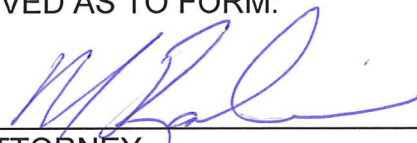
PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tucson, Arizona, August 6, 2013.

  
\_\_\_\_\_  
MAYOR

ATTEST:

  
\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
CITY ATTORNEY

REVIEWED BY:

  
\_\_\_\_\_  
CITY MANAGER

MR/dg  
7/25/13

## **CITY OF TUCSON CODE OF ETHICS**

**For Elected Officials, All City Employees<sup>1</sup>, and Members of City**

**Boards, Committees and Commissions.**

### **Introduction and Application:**

The City has adopted this Code of Ethics by Ordinance No. 11102. This Code of Ethics applies to the Mayor and Council, all City employees (whether they are in the classified service or not) and members of City boards, commissions, and committees (hereafter, "BCCs").

This Code of Ethics supplements existing provisions of the Charter, Code, Administrative Directives, and other rules of the City. All provisions of the Charter, Code, Administrative Directives and other rules of the City relating to employee conduct continue to apply.

The "Comment" sections included in this Code, together with Appendix A and Appendix B, are integral to and a part of this Code of Ethics, and apply in the same manner as the other provisions of this Code.

### **I. City of Tucson Ethics Policy**

It is the policy of the City of Tucson to uphold, promote and demand the highest standards of ethics from all of its employees and officials, whether elected, appointed or otherwise hired. Accordingly, all City elected officials (the mayor and council members), all City employees, and all members of City BCCs should maintain the highest standards of personal integrity, truthfulness, respect, professionalism, honesty and fairness in carrying out their duties; avoid any improprieties in their roles as public servants; and never use their position or powers for improper personal gain or influence.

The requirements of Administrative Directive (A.D.) 2.02-5, *Rules of Conduct*, continues to apply to all City employees within the classified service. In addition, through the adoption of this Code of Ethics, the Mayor and Council extend the requirements of A.D. 2.02-5 to the City's elected officials and to their appointed staff. A.D. 2.02-5 is attached to this Code of Ethics as Appendix B.

**Comment:** The proper operation of municipal government requires the Mayor and Council, all City employees, and members of City BCCs remain independent, impartial, and responsible to the public. All City elected officials, employees, and members of City BCCs hold office or were

---

<sup>1</sup> For the purposes of this Code, the phrase "all City employees" means exactly that – *all* City employees – and includes all employees in the classified service, and all employees outside the classified service, including those employees" includes, without limitation, permanent, non-permanent, temporary and probationary employees, whether full time or part time.



## *City of Tucson Code of Ethics*

hired or appointed for the public's benefit, and it is their responsibility to uphold the Constitution of the United States and the Arizona Constitution. In all official acts, all of these persons are bound to observe the highest standards of integrity, and discharge faithfully the duties of office or position regardless of personal considerations, recognizing that the public interest must be the primary concern. Democratic government can function properly only when the citizenry has confidence in how its government is run. Public trust is built largely upon the perceptions that citizens have regarding their Mayor and Council members, City employees and members of City BCCs. Accordingly, it is imperative to foster the highest standards of personal integrity and honesty in discharging all public duties.

### **II. Compliance with the Law**

All City elected officials, all City employees, and all members of City BCCs shall comply with the laws of the United States, the State of Arizona and the City of Tucson in the performance of their public duties. These laws include, but are not limited to: the United States and Arizona Constitutions; all federal laws, including but not limited to those included in Title VII of the Civil Rights Act of 1964 as amended; the Tucson City Charter; the Arizona Revised Statutes (including but not limited to those statutes relating to conflicts of interest, open meetings, elections, and financial disclosures); and the Codes, ordinances, resolutions, rules and policies of the City of Tucson.

**Comment:** This Code of Ethics specifically addresses conflicts of interest under Section III; discrimination and harassment under Section VI; and open meetings under Section VII.

### **III. Conflicts of Interest**

All City elected officials, all City employees, and all members of City BCCs shall comply with the laws and rules regarding all actual or potential conflicts of interest; and shall not use their official positions to influence government decisions in which they have a material financial interest, or where they have a duty or responsibility or personal relationship that may give the appearance of a conflict of interest.

Under Arizona law, any elected official, employee, or member of a BCC who has, or whose relative has, a substantial interest in any contract, sale, purchase service or decision of the City shall disclose that interest and shall refrain from participating in any way with the decision or transaction. See A.R.S. § 38-503(A). Also, Arizona law prohibits any City employee or anyone officially representing the City from providing certain goods and services to the City without competitive bidding. See A.R.S. § 38-503(C).

Additionally, Chapter XVIII., Section 2 of the City Charter provides that no officer or employee of the City shall be, directly or indirectly, interested in any contract, work or business of the City; nor in the purchase or lease of any real estate or other property belonging to the city.

## *City of Tucson Code of Ethics*

**Comment:** As with other conflicts of interest, any City elected official, employee or member of a City BCC in such a situation must (i) make known the substantial interest involved and (ii) refrain from voting upon or otherwise participating in the transaction or the making of such contract or sale. Examples of situations involving a Conflict of Interest, and examples where no Conflict of Interest exists, are provided in Appendix A.

### **IV. Acceptance of Gifts, Favors, Extra Compensation and Things of Value**

No City elected official, City employee, or member of a City BCC shall solicit or accept any gift, service, favor anything of value, or any compensation other than his or her normal salary in exchange for any service rendered in connection with that person's duties or responsibilities with the City. City elected officials, employees, and members of City BCCs shall not accept or solicit, directly or indirectly, anything of economic value such as a gift, gratuity, favor, entertainment or loan that may appear to be designed to influence that official or employee. This provision does not prohibit acceptance of minor promotional items such as calendars and pens; food and refreshments delivered as a gift to the work place for consumption on the premises by all employees at the work place; and business lunches.

Arizona law prohibits City elected officials, employees and members of City BCCs from receiving anything of value or any compensation other than their normal salary for any service rendered in connection with that person's duties with the City. See A.R.S. § 38-505(A). Additionally, Chapter XXV., Section 1 of the City Charter provides that no officer of the City shall be allowed any compensation, aside from salary as fixed by the Charter or ordinance.

**Comment:** City elected officials, employees and members of City BCCs should not accept any gifts (monetary or otherwise, such as a service, loan, thing or promise), gratuities, or favors from anyone other than the City for the performance of acts within the regular course of official duties. Any gifts or favors which reasonably may be interpreted to be offered in order to influence a municipal decision should be refused.

Additionally, the City elected officials are required, under Tucson Code Secs. 12-40 through 12-43, to file with the City Clerk an annual verified financial disclosure statement that shall include, among other required information, the name of each source of any gift, or accumulated gifts from a single source, of more than five hundred dollars (\$500.00), with certain exceptions (such as gifts from relatives).

### **V. Confidential Information**

Arizona law provides that, during a person's employment or service with the City and for two years thereafter, no City elected official, employee or member of a City BCC may disclose or use confidential information without appropriate authorization. See A.R.S. § 38-504(B)

**Comment:** City elected officials, employees and members of City BCCs often have access to important non-public information regarding the property, operations, policies or affairs of the City. Such information may concern real estate transactions, expansion of public facilities or



# *City of Tucson Code of Ethics*

other City projects. Release of confidential information discussed in an executive session is a violation of the Arizona Open Meeting Laws.

## **VI. Discrimination or Harassment; and Workplace Bullying**

### **A. Discrimination and Harassment Prohibited**

All City elected officials, all City employees, and all members of BCCs shall conduct business and operate in a manner that is free from discrimination on the basis of race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status. Harassment on the basis of sex is a violation of Title VII of the Civil Rights Act of 1964, as amended. All City employees are entitled to work in an environment free of harassment and discrimination.

It is the policy of the City of Tucson to provide a work environment free from discrimination and to promote equal employment opportunities and equitable treatment of all employees. Any adverse employment action or harassment because of a person's race, color, religion, sex, national origin, sexual orientation, gender identity, age, disability or any other protected class status under applicable law is considered employment discrimination and is a violation of this policy.

**Comment:** Prohibited harassment includes verbal or physical conduct toward an individual because of his or her protected class status that:

1. Has the purpose or effect of creating a hostile, intimidating, or offensive working environment;
2. Has the purpose or effect of unreasonably interfering with an individual's work performance;
3. Otherwise affects an individual's employment opportunities.

The United States Equal Employment Opportunity Commission (EEOC) defines sexual harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
2. submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual; or

## *City of Tucson Code of Ethics*

3. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Prohibited sexual harassment includes, but is not limited to:

1. Sexually suggestive, obscene, or lewd comments and jokes;
2. Sexual innuendos and gestures;
3. Sexually suggestive pictures or written materials (e.g., poster, cartoons);
4. Gender related labels such as “honey” or “sweetie;”
5. Leering, ogling, or drawing attention to a person’s body;
6. Unwelcome touching;
7. Sexual intimidation or exploitation;
8. Sexual assault.

### **B. Workplace Bullying Prohibited**

This Code of Ethics prohibits workplace bullying by City elected officials, employees and members of City BCCs against any other persons in the workplace environment, including members of the public. Workplace bullying is defined as actions, conduct and/or behavior in the workplace environment that a reasonable person would find hostile, offensive, and not obviously related to an employer’s legitimate business interests. Examples of prohibited workforce bullying include, but are not necessarily limited to, the following:

1. Use of disrespectful and devaluing language;
2. Persistent or constant criticism in front of other persons (including co-workers, vendors, contractors or members of the public) for the purpose of humiliation
3. Behavior, actions, conduct or language with the intent to frighten, humiliate, belittle or degrade, including criticism delivered with yelling and/or screaming.

## **VII. Open Government and Transparency; Public Documents**

Arizona laws require that meetings of public bodies be open to the public. See Open Meetings Laws (A.R.S. § § 38-431 through 431.09 and City Charter Ch. 4, § 5). The Mayor and Council, and all City BCCs, shall comply at all times with the requirements of the Open Meetings Laws. Additionally, Arizona law requires that public records be made available for public inspection. See, Public Records Laws (A.R.S. § § 39-121 through 121.03). With certain exceptions

## *City of Tucson Code of Ethics*

(including but not limited to attorney/client communications), written communications, including City-related email messages, between public officials and private citizens on matters involving the affairs of the City are considered public documents and shall be made available for public review upon request.

**Comment:** As declared in state statute, it is the official public policy of Arizona that meetings of public bodies be conducted openly. Also, Arizona law allows broad access to public records. Open government gives the public confidence that public affairs are being performed properly. City officials shall conduct themselves in a manner that fully adheres to state laws concerning open meetings, public records and transparency of actions.

### **VIII. Political Activity**

The Tucson Code (Sec. 10-18) and Charter (Chapter XXV., Sec. 8) regulate the political activities of City officers and employees. The City Clerk and City Attorney have prepared and set forth the guidelines for acceptable and prohibited political activity, and all City officers and employees shall comply with these guidelines, which are available at:

<http://www.tucsonaz.gov/clerks/pdf/PAG.pdf>

### **IX. Separation of the Legislative and Administrative Functions of the City; Respect for the Council-Manager Form of Government**

The City Charter establishes a Council-Manager form of Government. The powers of the City are vested in the Mayor and Council [Ch. III., Sec. 1], and the Mayor and Council enacts legislation, adopts budgets, levies taxes, determines policies, and appoints certain City officials, including the City Manager, Attorney and Clerk. The Mayor is CEO of the City and Chair of the Council, and presides at all Council meetings (Chapter VI., Secs. 1 and 2). The City Manager supervises and directs the administrative operation of the City; and supervises and directs the conduct of the Manager's appointees and the employees of the City (Chapter X., Sec. 1). With few exceptions, city employees are in the classified (civil) service, under the civil service rules (Chapter XXII., Sec. 3). The appointing authority for civil service employees is the department director (Chapter V., Sec. 13). Under Civil Service, appointments are based on merit; and discipline is based on just cause. Per the Charter, no appointment to or removal from any office or employment, and no transfer, promotion, reduction in compensation, or employee discipline shall be made or withheld for political reasons (Chapter XXII., Sec. 3; Chapter XVIII., Sec. 3).

All City elected officials, all City employees, and all members of City BCCs shall respect the Council-Manager form of government and shall respect the orderly lines of authority within City government.

The City Manager and all City employees shall:

1. consistently demonstrate professionalism and the commitment to ethics and excellence;



## *City of Tucson Code of Ethics*

2. recognize that the Mayor and Council serves as the link between the citizens and government, and as the legislative authority of the City, making the policy decisions about City functions based on the recommendations of the Manager.
3. recognize that they do not set policy, but make policy recommendations and are responsible for carrying out the Mayor and Council's policy decisions.

The elected officials of the City, and their appointed staff members, shall:

1. recognize and respect the role of the City Manager and City staff, and shall not interfere with the execution by the City Manager of the Manager's powers and duties, or order, directly or indirectly, the appointment by the City Manager of any person to an office or employment or the removal therefrom.
2. work solely through the City Manager or the City Manager's designated staff. They may ask other City administrative officers and employees about the status of a matter and may ask for information, but shall not expressly or implicitly give orders or direction to those employees, publicly or privately.

Appointed members of the City's BCCs shall work through the staff liaisons of their board.

**Comment:** The elected officials of the City, through their participation on the Mayor and Council, establish the policies of the City; and the City Manager, through his administrative functions, carries out those policies. The elected officials and their appointed staff may make inquiries to City staff who are under the supervision of the City Manager for the purpose of sharing or acquiring information, to include inquiries on behalf of a constituent. However, the elected officials and their staff cannot direct City employees to perform work outside of the usual and normal scope of their duties, or assign them with tasks that divert the allocation of City resources.

### **X. Compliance and Enforcement**

**Violations of state law:** Violations of state law, whether by a City elected official, employee (whether in the classified service or an at-will appointee), or a member of a City BCC, may expose that person to a variety of penalties, up to and including criminal prosecution. For example, violations of the state Conflict of Interest laws could be prosecuted either as misdemeanors (for negligent violations) or felonies (for intentional violations). Violations of the Open Meeting laws could result in civil penalties of up to \$500, an assessment of costs and attorneys' fees, and in certain circumstances by removal from public office.

**Violations of this Code of Ethics by City employees (civil service or at will):** In addition to other penalties that might apply, depending on the violation, violations of this Code of Ethics or of the City's Administrative Directives by a City employee could result in disciplinary action. Disciplinary actions of City employees who are in the classified service (civil service) must be conducted under the procedures established in the City's Charter, Code, and Civil Service Rules. City employees who are employed outside of the classified service, such as the elected officials'

## *City of Tucson Code of Ethics*

appointed staff, serve at the will of their appointing authority and may be disciplined or removed from that appointment by their appointing authority for violations of this Code of Ethics.

Violations of this Code of Ethics by members of City boards, committees and commissions: Violations of this Code of Ethics by members of City BCCs could be cause for the removal of that person. Section 10A-134 of the Tucson Code provides that members of City BCCs may be removed with or without cause prior to the expiration of their term by the mayor or members of the city council who appointed them.

Violations of this Code of Ethics by City elected officials: The City's elected officials are not subject to removal from office for a violation of this Code of Ethics, except that, as provided under Chapter VIII., Section 3 of the Charter, an elected official's office shall be deemed vacated if the official is convicted of violating a provision of the Charter or of a felony. Additionally, as noted above, a violation of state law would expose that official to the associated civil or criminal penalties.

In addition, pursuant to the City Charter, the Mayor and Council have the authority to judge of the qualification of their own members (Chapter VII., Section 1); and to establish rules for their proceedings (Chapter IX., Section 4). Under this authority, and pursuant to the legislative body's inherent authority to sanction a member's conduct, the Mayor and Council may sanction an individual elected official by censure. The Procedure for Censure on an Elected Official is provided below.

In addition, the Mayor and Council have the authority to punish any member of the Mayor and Council or other City officer by a fine not exceeding fifty dollars (\$50.00), for disorderly or contemptuous behavior that occurs in their presence (Chapter VII., Section 1).

### **Procedure for Censure of an Elected Official:**

No complaint requesting the sanction of censure can be initiated if the complaint is based on acts or conduct that occurred, or is alleged to have occurred, prior to the effective date of Ordinance No. 11102, approving this Code of Ethics.

A complaint requesting the sanction of censure must be initiated either (1) within 180 days after the violation is alleged to have occurred; or (2) within 90 days after the violation was discovered; whichever date is earlier.

If at any time during such process the City Attorney determines that he or she has a conflict in providing advice to the Mayor and Council, the City Attorney shall engage the services of separate legal counsel in order to avoid such conflict.

The procedure for consideration by the Mayor and Council of the sanction of censure shall be as set forth below.

1. A complaint for censure of an elected official can only originate from another member of the Mayor and Council. The first step in initiating consideration of the sanction of a



## *City of Tucson Code of Ethics*

censure is that the complaining elected official must first address the concern with the accused elected official, with the complaint to include a description of the specific action observed, the relationship of that event to this Code, and, if applicable, the impact it had on the complaining official. The purpose of this first step is to assure that an attempt is made to discuss the issue and resolve the matter without proceeding further. This step requires no formal action and no involvement of other elected officials.

2. Either party may request to seek a third party to assist in facilitating the discussion toward a mutually satisfactory conclusion. This discussion with a third party facilitator may only occur if both parties agree. If any expenses are incurred for this process, they will be shared equally from the office funds of each member engaged in the process.
3. If the matter cannot be settled and resolved through steps (1) and (2) above, then either elected official may choose to refer the matter to the entire Mayor and Council for review and consideration of censure.
4. To present the matter to the Mayor and Council, the complaining elected official must advise the accused official that the issue will be taken to the Mayor and Council, and will thereafter ask that the matter be scheduled for a Study Session agenda, with an executive session as appropriate. All laws pertaining to executive sessions will apply, including the option of the accused official to exercise the right to request that any discussions occur in an open hearing. The City Attorney shall prepare and provide notice to the accused official as required by law.
5. At the scheduled meeting, the Mayor and Council will discuss the issue in order to:
  - a. Become fully informed;
  - b. Determine if reasonable grounds exist to believe that a violation of this Code of Ethics has occurred;
  - c. Seek resolution without further action, or, if necessary, schedule the matter for a subsequent public discussion for final determination regarding whether a violation occurred, and, if necessary, determine whether the sanction of a letter of censure is appropriate;
  - d. An affirmative vote of four (4) members of the Mayor and Council is required to set the matter for the subsequent discussion described in subsection (c) above.
6. If the Mayor and Council schedule the matter for a public discussion under section 5 above, each member of the Mayor and Council, including the accused member, shall be provided with a reasonable opportunity to address the issues and be heard. Following this public process, the Mayor and Council may take any of the following actions:
  - a. Determine that no violation has occurred and declare the matter closed.

## *City of Tucson Code of Ethics*

- b. Determine that a violation has occurred, but impose no sanction and declare the matter closed.
- c. Determine that a violation has occurred, and impose the sanction of censure. An affirmative vote of five (5) members of the Mayor and Council is required to impose the sanction of a letter of censure.
- d. If the sanction of a letter of censure is imposed, the letter shall follow a format to be established by the Mayor and Council and used consistently as such situations occur.

**Effect of Violations on actions of the Mayor and Council:** Violations of this Code of Ethics alone do not provide a basis for challenging the validity of any enactment, resolution, ordinance, decision, determination or recommendation of the Mayor and Council.

# *City of Tucson Code of Ethics*

## **APPENDIX A – CONFLICTS OF INTEREST**

### **Examples where a Conflict of Interest Exists**

Arizona's Conflict of Interest laws are set forth in A.R.S. Secs. 38-501-511. Under these laws, any City officer or employee who has, or whose relative has, a substantial interest in any contract, sale, purchase, or service of the City shall make known such interest in the official records of the City and shall refrain from participating in any manner as an officer or employee in the contract, sale, purchase or service. A substantial interest does not include eleven (11) interests identified under the law as "remote interests." Under the law, the term "substantial interest" means a pecuniary (money) or proprietary (ownership) interest by what a person will gain or lose something. The term "relative" means the officer's/employee's spouse; the officer's/employee's spouse's parents, siblings and children; the officer's/employee's grandparents, parents, children and grandchildren; and the spouses of the officer's/employee's siblings.

Listed below are illustrative examples of situations involving potential violations of Arizona's Conflict of Interest statutes. (All of the examples assume that the City employee or officer is a member of the public agency that is reviewing the matter in question.)

1. The City employee or member of a City BCC or the City Council (or a relative) owns property in such close proximity to property that is the subject of a zoning or license application that the granting or denial of the application could affect the value of the employee's or member's property.
2. The City employee or member of a City BCC or the City Council (or a relative) has done work in the past for a firm seeking a City contract and anticipates doing further work for the firm in the future. A potential conflict exists regardless of whether the work involves the matter that is the subject of the contract. (However, mere past association does not of itself constitute a conflict if the business relationship is not a continuing one.)
3. The City employee or member of a City BCC or the City Council (or a relative) is an officer of a corporation that operates a chain of stores. An application by a competitor seeks zoning approval for a store within the service area of one of the stores owned by the member's corporation.
4. The City employee or member of a City BCC or the City Council (or a relative) is a developer who files an application for approval of a project. Not only must the City employee or member disqualify himself or herself from consideration of the application, the member also may not participate in the matter by personally presenting the application to the public body.
5. The City employee or member of a City BCC or the City Council (or a relative) is a realtor who has had discussions concerning a listing agreement with the owner of property that is the subject of a zoning application. If the City employee or member of a City BCC or the City Council wishes to pursue the agreement, he/she should disqualify himself/herself from considering the application. If the City employee or member of a City BCC or the City Council



## *City of Tucson Code of Ethics*

does not disqualify himself or herself, he/she should not subsequently enter into the listing agreement.

6. A proposed amendment to the City Code seeks to regulate a specific type of business activity. The City employee or member of a City BCC or the City Council (or a relative) has an exclusive franchise or right to conduct the activity in the City.

7. The City employee or member of a City BCC or the City Council (or a relative) has an interest in property that will be uniquely affected by a proposed land use plan, and the adoption of the plan could affect the value of the property (e.g., the plan confers special benefits on the property that are not applied to other similarly situated properties).

8. The close relative of a City employee or a member of a City BCC or the City Council is in business with a person whose application or contract is being considered by the public agency.

9. The City employee or member of a City BCC or the City Council receives more than five percent of his total annual income from a corporation that has an application or a contract pending before the public body.

10. The City employee or member of a City BCC or the City Council is seeking the award of a professional services contract from the City, unless the contract will be awarded through competitive bidding to the lowest bidder. A conflict of interest exists in the absence of competitive bidding regardless of whether the City employee or member of a BCC or the City Council participates in awarding the contract. In other words, a City employee or member of a City BCC or the City Council is prohibited from contracting with the City unless the contract will be awarded through competitive bidding.

11. The City employee or member of a City BCC or the City Council (or a close relative) is a paid employee of an organization which receives funds appropriated by the City council, including federal and state funds administered by the City.

### **B. Examples where No Conflict of Interest Exists**

Following are illustrative examples of situations that do not constitute violations of the Conflict of Interest Laws. (Again, all examples assume that the City employee or member of a City BCC or City Council is a member of the public agency that is reviewing the matter in question.)

1. The City employee or member of a City BCC or the City Council (or a relative) is a member of a trade association that has applied for an amendment to the City Code that is being considered by the public agency.

2. The City employee or member of a City BCC or the City Council (or a relative) owns a property in an area that is included in a proposed land-use plan that is being considered by the public body (unless that plan would uniquely affect the property of the City employee or a member of City BCC or the City Council).

## *City of Tucson Code of Ethics*

3. The City employee or member of a City BCC or the City Council (or a relative) is the non-salaried officer of a nonprofit corporation that has an application that is being considered by the public body.
4. The City employee or member of a City BCC or the City Council is a tenant of a property owner who is seeking a City contract (unless the contract would affect the pecuniary or proprietary interests of the City employee or member of a City BCC or the City Council).
5. The City employee or member of a City BCC or the City Council is the attorney for a contracting party (as long as the City employee or member of a City BCC or the City Council does not represent the person in regard to the contract).
6. The City employee or member of a City BCC or the City Council owns less than 3% of the shares of a corporation that has an application being considered by the public body. The City employee or member of a City BCC or the City Council does not have a conflict if the total annual income from dividends, including the value of stock dividends from the corporation, does not exceed 5% of the total annual income of the City employee or member of a City BCC or the City Council and any other payments made to him/her by the corporation do not exceed 5% of his/her total annual income.
7. The City employee or member of a City BCC or the City Council (or a relative) contracts to purchase services or goods from a firm that does business with the City (as long as the contract is unrelated to official actions taken by the City employee or member of the City BCC or the City Council, and the City employee or member of a City BCC or the City Council receives no benefit from the firm as a result of official action).

**APPENDIX B – ADMINISTRATIVE DIRECTIVE 2.02-5  
RULES OF CONDUCT**



## ADMINISTRATIVE DIRECTIVE

### RULES OF CONDUCT

NUMBER	PAGE
2.02-5	1 of 3
EFFECTIVE DATE	
February 12, 2010	

#### I. PURPOSE

This policy establishes rules of conduct for all City employees. These general rules may be further defined in writing and distributed by individual departments as deemed necessary.

#### II. POLICY

A. All employees must observe the following basic principles and rules of conduct throughout their employment with the City. Failure to observe basic principles and rules of conduct, as specified in this policy and in City Code, may result in disciplinary action up to and including discharge.

1. Be at work on scheduled working days at the designated starting time, and remain at assigned work place during designated work hours unless permission to leave has been granted by the supervisor.
2. Observe department breaks and lunch periods without abuse.
3. Use and maintain in a reasonable manner, tools, machines, cars, and other City property and equipment to assure their usefulness and longevity. Report malfunctions or hazardous conditions of tools, machines, vehicles, and other City property and equipment to assure proper maintenance and safety.
4. Complete the required "time worked" records in accordance with instructions issued by the City.
5. Personally notify the supervisor as quickly as possible if absence is necessary, and otherwise comply with all provisions of "Employee Leaves" AD 2.01-7.
6. Obtain Department Director's permission before soliciting funds, selling tickets, passing petitions, or distributing literature on City property or during business hours.
7. Follow established safety practices and immediately report accidents to the supervisor or his/her designee.
8. Cooperate in keeping the work place, equipment, and vehicles in clean and sanitary conditions.
9. Carry out specific orders or instructions from assigned supervisory personnel.
10. Perform a full day's work in an efficient manner in accordance with the methods and standards required by the City.
11. Conduct themselves in a manner, on and off duty, that:





## ADMINISTRATIVE DIRECTIVE

<b>RULES OF CONDUCT</b>	NUMBER	PAGE
	<b>2.02-5</b>	<b>2 of 3</b>
	EFFECTIVE DATE	
	<b>February 12, 2010</b>	

- a. does not compromise their ability, or that of other employees, to perform assigned work and/or duties in an efficient, non-discriminatory, and professional manner;
  - b. does not discredit the City or department in a manner that affects its ability to perform its mission;
  - c. does not cause the City or department to question the employee's reliability, judgment or trustworthiness in carrying out assigned responsibilities.
12. Truthfully give all pertinent facts and information to supervisors on any matters involving or concerning City employment.
  13. Truthfully give all pertinent facts on records prepared.
  14. Promote harmony and cooperation among fellow workers.
  15. Keep their supervisors informed of all matters relating to and affecting their employment.
  16. Not report for duty or work under the influence of alcohol. On or off duty possession, use, or sale of controlled substances without a prescription is prohibited (see "Drug and Alcohol Use; Impaired Employees; Physical Evaluations; Applicant Testing AD 2.02-22).
  17. Advise supervisory personnel of use of prescription drugs if such use may affect performance of assigned duties.
  18. Report to the supervisor any damage, thievery, or unauthorized removal of property belonging to the City or to another employee.
  19. Adhere to those provisions of the City Charter, City Ordinances, City Administrative Directives, Department rules and regulations, and Civil Service Commission Rules that relate to their employment with the City.
  20. Supervisory personnel are responsible for the proper conduct of their assigned employees and the functional work activities under their control. As necessary, supervisors should strive to review, document, and take appropriate action in matters within thirty (30) working days, or as soon as practicable.
  21. Abide by all local, state, or federal laws. Employees arrested or charged with a crime shall report the incident to their supervisor by the next working day. Employees have a continuing obligation to report new developments on any matters previously reported. The City Manager shall be notified by the department of any matter involving alleged criminal charges.



# ADMINISTRATIVE DIRECTIVE

RULES OF CONDUCT	NUMBER	PAGE
	2.02-5	3 of 3
	EFFECTIVE DATE February 12, 2010	

22. Not possess firearms or other weapons while at work, or on City business unless specifically authorized to do so by the Department Director **and** the Chief of Police. An employee may leave a firearm in the employee's locked and privately owned motor vehicle or in a locked compartment on the employee's privately owned motorcycle while parked in a City owned or leased parking lot.
23. Employees are prohibited from using City vehicles, equipment, materials, property, or City processes for general convenience or profit, unless it is made available or provided to the general public. As an example, employees are prohibited from sending Christmas or other personal cards through the City mail system.

## III. CITY OWNERSHIP OF EMPLOYEE WORK PRODUCTS

- A. The City maintains ownership rights for all employee suggestions and work products conceived or produced by an employee, alone or with others, on City time, even if the work does not pertain to the employee's assigned duties. Examples of work products include ideas, inventions, solutions, drawings, writings, audio and videotapes, computer programs tools, equipment, and any other product, devices, or developments designed or modified, in whole or in part, on City time. Further, the City maintains ownership rights for all suggestions and work products that are the result of any materials, property, information, equipment, or other resources or opportunities supplied by the City that enable the employee to develop or perfect the suggestion or work product.
- B. Work products created on City time by Seasonal Fee Class Instructors, for demonstration purposes in Leisure Education Fee Classes, may be retained by instructors if the materials necessary to produce the demonstration products are provided by the instructors at their own expense. If materials for demonstration products created by Seasonal Fee Class Instructors are provided by the City, the City will maintain ownership rights to the work products.

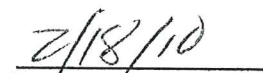
Appendices                      None

References                      2.01-7, Employee Leaves (entire series)  
2.02-22, Drug and Alcohol Use; Impaired Employees; Physical  
Evaluations; Applicant Testing

Review Responsibility and Frequency                      The Human Resources Director will review this directive annually, based on date of publication.

Authorized

  
\_\_\_\_\_  
City Manager

  
\_\_\_\_\_  
Date