

AGENDA

4:30 P.M.

CITY OF SEDONA, CITY COUNCIL MEETING

TUESDAY, AUGUST 14, 2018

NOTES:

- Public Forum:
Comments are generally limited to **3 minutes**.
- Consent Items:
Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

PROCEDURES:








- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE/ROLL CALL

2. CITY'S VISION/MOMENT OF ART

3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT = 

- a. Minutes - July 23, 2018 City Council Special Meeting. 
- b. Minutes - July 24, 2018 City Council Special Meeting. 
- c. Minutes - July 24, 2018 City Council Regular Meeting. 
- d. Minutes - July 25, 2018 City Council Special Meeting. 
- e. AB 2390 Approval of award of a Job Order Contract extension with Cactus Asphalt, Inc. in an amount not to exceed \$1,150,000 for street maintenance projects during Fiscal Year 2019. 
- f. AB 2405 Approval of recommendation regarding a new Series 11 Hotel/Motel Liquor License for Casa Sedona Inn located at 55 Hozoni Dr., Sedona, AZ (File #23079). 
- g. AB 2417 Approval of recommendation regarding a new Series 12 Restaurant Liquor License for Nick's West Side located at 2920 W. Hwy 89A, Sedona, AZ (File #26273). 

4. APPOINTMENTS - None.



5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER

6. PUBLIC FORUM

(This is the time for the public to comment on matters not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.)

7. PROCLAMATIONS, RECOGNITIONS & AWARDS - None.

8. REGULAR BUSINESS

- a. AB 2404 **Presentation/discussion** regarding an update from Yavapai College on their property tax increase. 
- b. AB 2409 **Discussion/possible direction** regarding items for consideration by the League Resolutions Committee for possible inclusion in the 2020 League legislative program. 
- c. **Reports/discussion** on Council assignments.
- d. **Discussion/possible action** on future meeting/agenda items.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

Page 2, City Council Meeting Agenda Continued

9. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

10. ADJOURNMENT

Posted: _____

By: _____

Susan L. Irvine, CMC
City Clerk

Note: Pursuant to A.R.S. § 38-431.02 notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

Action Minutes
Special City Council Meeting
Red Rock Ranger Station, 8375 State Route 179,
Sedona, Arizona &
City Council Chambers, 102 Roadrunner Drive,
Sedona, Arizona
Monday, July 23, 2018 and Tuesday, July 24, 2018
4:30 p.m.

1. Call to Order/Pledge of Allegiance/Moment of Silence

Mayor Moriarty called the meeting to order at 4:30 p.m.

2. Roll Call

Roll Call: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson. Councilor Jessica Williamson was absent and excused.

Staff Present: City Manager Justin Clifton, City Clerk Susan Irvine on July 23 & 24, 2018.

Additional staff present on July 24, 2018: Assistant City Manager/Community Development Director Karen Osburn, City Attorney Robert Pickels, Jr., Director of Public Works/City Engineer Andy Dickey, Associate Engineer James Crawley, Associate Engineer David Peck, Assistant Engineer Ryan Mortillaro, Management Analyst Megan McRae, Wastewater Manager Roxanne Holland.

3. Special Business

- a. AB 2274 Discussion/possible direction/action regarding the City's comments & objection to the Forest Service on the Draft Decision in the Final Environmental Assessment, which assessed possible alternatives to create an access easement for the construction of a private road to Coconino County parcels 408-27-003 C, E, and F (Tobias/Flynn) located across Oak Creek from Poco Diablo Resort and Chavez Crossing Campground in Sedona.**

Introduction by USFS Administrative Review Coordinator Southwest Region Roxanne Turley and Justin Clifton. Presentation by Deputy Regional Forester Southwest Region Elaine Kohrman, Coconino National Forest representatives Red Rock District Ranger Nicole Branton, Forest Supervisor Laura Jo West, Lands Team Lead Judy Adams, and NEPA Coordinator Mike Dechter.

Questions and comments from Council.

The following spoke on this item at the request of the Forest Service: Constance Loef, Oak Creek Homeowners Association, Sedona, John Sather, Sedona, Bruce Tobias, Sedona, Robert Flynn, Sedona, David Wnuk, Sedona, and Paul Loef, Sedona.

Further questions and comments from Council.

Motion: Councilor Thompson moved to table this matter until Tuesday, July 24, 2018 at 4:30 p.m. Seconded by Vice Mayor Martinez. Vote: Motion carried unanimously with six (6) in favor (Moriarty, Martinez, Currivan, Jablow, Lamkin, and Thompson) and zero (0) opposed.

Mayor Moriarty recessed the meeting at 6:27 p.m. on July 23, 2018.

Reconvened at 4:30 p.m. on Tuesday, July 24, 2018, at Sedona City Hall, City Council Chambers, 102 Roadrunner Drive.

Further questions and comments from Council.

Motion: Councilor Jablow moved to withdraw the objection to the decision. Seconded by Councilor Lamkin. Vote: Motion carried with five (5) in favor (Moriarty, Currivan, Jablow, Lamkin, and Thompson) and one (1) opposed (Martinez).

4. Adjournment

Mayor Moriarty adjourned the meeting at 4:41 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on July 23 and July 24, 2018.

Susan L. Irvine, CMC, City Clerk

Date

Action Minutes
Special City Council Meeting - Executive Session
Vultee Conference Room, Sedona City Hall,
106 Roadrunner Drive, Sedona, Arizona
Tuesday, July 24, 2018, 2:30 p.m.

1. Call to Order

Mayor Moriarty called the meeting to order at 2:30 p.m.

2. Roll Call

Council Present: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson. Councilor Jessica Williamson was absent and excused.

Staff in attendance: Magistrate Judge Mike Goimarac, City Clerk Susan Irvine, Human Resources Manager Brenda Tammarine, City Manager Justin Clifton, City Attorney Robert Pickels, Jr.

3. Executive Session

Motion: Councilor Thompson moved to enter into Executive Session at 2:31 p.m. Seconded by Vice Mayor Martinez. Vote: Motion carried unanimously with six (6) in favor (Moriarty, Martinez, Currivan, Jablow, Lamkin, and Thompson) and zero (0) opposed.

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. **Discussion and consideration of a salary review regarding Magistrate Judge Michael Goimarac. This matter is brought in executive session pursuant to A.R.S. 38-431.03(A)(1).**
- b. **Discussion and consultation with the City Attorney in order to consider the City's position and instruct its attorney regarding the City's position on a contract with the Yavapai-Apache Nation that is the subject of negotiation. This matter is brought in executive session pursuant to A.R.S. 38-431.03(A)(4).**
- c. **Return to open session. Discussion/possible action on executive session items.**

No action was taken.

4. Adjournment

Mayor Moriarty adjourned the meeting at 3:58 p.m.

I certify that the above are the true and correct actions of the Special City Council Meeting held on July 24, 2018.

Susan L. Irvine, CMC, City Clerk

Date

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Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, July 24, 2018, 4:30 p.m.

1. Call to Order/Pledge of Allegiance/Moment of Silence/Roll Call

Mayor Moriarty called the meeting to order at 4:41 p.m.

Council Present: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson. Councilor Jessica Williamson was absent and excused.

Staff Present: City Manager Justin Clifton, Assistant City Manager/Community Development Director Karen Osburn, City Attorney Robert Pickels, Jr., Director of Public Works/City Engineer Andy Dickey, Associate Engineer David Peck, Associate Engineer James Crowley, Assistant Engineer Ryan Mortillaro, Finance Director Cherie Wright, Wastewater Manager Roxanne Holland, Communications & Records Supervisor Mark Coughlin, Communications Specialist Catherine Beers, Communications Specialist Joe Santilli, Communications Specialist Colleen Lyons, City Clerk Susan Irvine.

2. City's Vision

Councilor Thompson read the City's Vision.

3. Consent Items

- a. **Minutes - July 10, 2018 City Council Regular Meeting.**
- b. **Minutes - July 11, 2018 City Council Special Meeting.**
- c. **AB 2373 Approval of a Final Plat Amendment for the Thunder Mountain Ranch 2 Subdivision to modify access easements. PZ17-00018 (SUB).**
- d. **AB 2374 Approval of award of a Job Order Contract extension in the approximate amount of \$3,040,000 with Tiffany Construction Company, Inc. for construction of City of Sedona drainage improvement projects during FY 2019 (including projects for the Coffee Pot Drainage Basin and the Juniper Hills Area).**
- e. **AB 2406 Approval of a Special Event Liquor License for Red Earth Theatre for an event scheduled for Saturday, September 15, 2018 from 3:30 to 7:30 p.m. located at Posse Grounds Pavilion, 525 Posse Grounds Road, Sedona, AZ.**
- f. **AB 2412 Approval of a resolution delegating authority to the City Clerk to make recommendations regarding liquor license acquisitions of control, special event liquor licenses, farm winery festival and/or fair licenses, and craft distillery fair licenses.**
- g. **AB 2411 Approval of a resolution to join the Coconino County Free Library District, to adopt a resolution to enter into an intergovernmental agreement (IGA) with Coconino County Free Library District, and to sign service contract with the Sedona Public Library for the period beginning July 1, 2018 through June 30, 2020.**

- h. AB 2413 Approval of an allocation of General Fund Contingency in the amount of \$20,000 to provide a grant award to the Scorpion Booster Club organization under the City's FY 2019 Small Grants Program. This award would be in addition to those previously made by City Council on July 10, 2018.**

Item 3h was pulled at the request of Vice Mayor Martinez.

Motion: Councilor Lamkin moved to approve consent items 3a, 3b, 3c, 3d, 3e, 3f, and 3g. Seconded by Vice Mayor Martinez. Vote: Motion carried unanimously with six (6) in favor (Moriarty, Martinez, Currivan, Jablow, Lamkin, and Thompson) and zero (0) opposed.

Pulled Consent Items –

3h - AB 2413 Approval of an allocation of General Fund Contingency in the amount of \$20,000 to provide a grant award to the Scorpion Booster Club organization under the City's FY 2019 Small Grants Program. This award would be in addition to those previously made by City Council on July 10, 2018.

Questions and comments from Council.

Opened to the public at 4:54 p.m.

The following spoke on this item: John Parks, Sedona, Ray Litwicki, Cornville, Robin Hubbard, Sedona.

Brought back to Council at 4:58 p.m.

Further comments from Council.

Motion: Councilor Lamkin moved to approve consent item 3h. Seconded by Councilor Thompson. Vote: Motion carried with five (5) in favor (Moriarty, Currivan, Jablow, Lamkin, and Thompson) and one (1) opposed (Martinez).

4. Appointments – None.

5. Summary of Current Events by Mayor/Councilors/City Manager

Justin Clifton introduced the following new members of the City staff who are all Police Communications Specialists: Catherine Beers, Joe Santilli, and Colleen Lyons. Vice Mayor Martinez stated that Parks & Recreation will host a Sedona star party on August 4th from 7:30 to 9:30 p.m. at Posse Grounds Park. Councilor Thompson stated that there is a forum on Home Rule hosted by the League of Women Voters on Thursday at 5:30 p.m. at Yavapai College, Room 34. There is also a candidate forum on Saturday at 1:00 p.m. at Mary D. Fisher Theater hosted by the Sustainability Alliance.

6. Public Forum – None.

7. Proclamations, Recognitions, and Awards – None.

8. Regular Business

a. AB 2315 Discussion/possible direction regarding the Wastewater Master Plan Update and possible funding and policy changes for collection system expansions.

Presentation by Roxanne Holland, Cherie Wright, and Justin Clifton.

Questions and comments from Council.

Break at 5:47 p.m. Reconvened at 5:58 p.m.

Motion: Councilor Thompson moved to refund all pre-paid capacity fees identified as Areas 1-11 in the 2017 Wastewater Master Plan and record a document with the appropriate County allowing a credit for the capacity fee equal to the difference between today's rate of \$10,304.91 and the amount being refunded if sewer becomes available to the property. Seconded by Councilor Jablow. Further discussion by Council. Councilor Thompson offered an amended motion as follows: to refund all pre-paid capacity fees identified as Areas 1-11 in the 2017 Wastewater Master Plan and record a document with the appropriate County that the fee shall be the amount refunded if sewer becomes available to the property. Councilor Jablow accepted the amended motion. Vote: Motion carried with five (5) in favor (Moriarty, Martinez, Jablow, Lamkin, and Thompson) and one (1) opposed (Currivan).

- b. AB 2402 Discussion/possible action regarding the adoption of a resolution approving a revision to the City's Fund Balance Policy.**

Presentation by Cherie Wright.

Questions from Council.

Motion: Councilor Lamkin moved to approve Resolution No. 2018-25, adopting a new City Fund Balance Policy and replacing the existing policy. Seconded by Vice Mayor Martinez. Vote: Motion carried unanimously with six (6) in favor (Moriarty, Martinez, Currivan, Jablow, Lamkin, and Thompson) and zero (0) opposed.

- c. AB 2410 Discussion/possible direction regarding matters considered by the League Policy Committees.**

Presentation by Robert Pickels, Jr.

Questions and comments from Council.

Discussion only. No action taken.

- d. Reports/discussion on Council assignments**

Councilor Lamkin encouraged everyone to use Sedona Recycles. He also asked everyone to refuse plastic straws at restaurants.

- e. Discussion/possible action on future meeting/agenda items**

Mayor Moriarty reminded everybody that the grants committee needs to reconvene in the near future. She also advised that there is a work session tomorrow at 3:00 p.m.

9. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

No Executive Session was held.

10. Adjournment

Mayor Moriarty adjourned the meeting at 6:42 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on July 24, 2018.

Susan L. Irvine, CMC, City Clerk

Date

**Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Wednesday, July 25, 2018, 3:00 p.m.**

1. Call to Order/Pledge of Allegiance/Moment of Silence

Mayor Moriarty called the meeting to order at 3:01 p.m.

Roll Call: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson. Councilor Jessica Williamson was absent and excused.

Staff Present: City Manager Justin Clifton, Assistant City Manager/Community Development Director Karen Osburn, City Attorney Robert Pickels, Jr., Senior Planner Mike Raber, Assistant Community Development Director Warren Campbell, Public Works Director/City Engineer Andy Dickey, Associate Engineer James Crowley, Assistant Engineer Ryan Mortillaro, Deputy City Clerk Valerie Webber.

2. Special Business

a. AB 2408 Discussion/possible direction regarding the draft Land Development Code and update process.

Introduction by Mike Raber and presentation by Planner Matt Goebel and Planner Tareq Wafaie with Clarion Associates.

Planning and Zoning Commission Member Kathy Kinsella spoke about all the work staff and the Planning and Zoning Commission has done in review of the draft Land Development Code.

Questions from Council.

Comments from Council.

By a majority consensus, Council directed staff to schedule multiple work sessions between now and the end of November in order to continue review of the draft Land Development Code. Council to submit their individual, high priority concerns to staff so that staff can prepare/review draft language.

b. Discussion/possible action on future meeting/agenda items.

Council and staff conferred regarding dates to schedule additional work sessions.

3. Executive Session

Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).

b. Return to open session. Discussion/possible action on executive session items.

No Executive Session was held.

4. Adjournment

Mayor Moriarty adjourned the meeting at 5:26 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on July 25, 2018.

Valerie Webber, Deputy City Clerk

Date



**CITY COUNCIL
AGENDA BILL**

**AB 2390
August 14, 2018
Consent Items**

Agenda Item: 3e
Proposed Action & Subject: Approval of award of a Job Order Contract extension with Cactus Asphalt, Inc. in an amount not to exceed \$1,150,000 for street maintenance projects during Fiscal Year 2019.

Department	Public Works
Time to Present	N/A
Total Time for Item	
Other Council Meetings	February 23, 2016, July 12, 2016, August 8, 2017
Exhibits	A. Job Order Contract

City Attorney Approval	Reviewed 8/6/18 RLP	Expenditure Required	
		\$	1,150,000
City Manager's Recommendation	Approve a JOC extension with Cactus Asphalt.	Amount Budgeted	
		\$	1,150,000
		Account No.	11-5320-39-6770
		(Description)	(HURF - Road Rehab/Maint.)
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

The Public Works Department set an objective starting in FY 2017 to accelerate the re-paving program with a target to complete four to five miles of street rehabilitation per year. Staff is therefore requesting approval of a Job Order Contract (JOC) extension with Cactus Asphalt, Inc. (Cactus) in an amount not to exceed \$1,150,000 for street maintenance projects. These projects will include annually programmed pavement preservation and road rehabilitation which were approved in the FY 2019 budget.

Background: Cactus was selected as the top contractor through a qualifications and unit price proposal process that occurred in the second half of FY 2016.

- Cactus was awarded the initial JOC on February 23, 2016.
- The existing JOC is a one-year contract, renewable for up to four one-year periods. This would be the third of four possible extensions.
- The option to extend is exercised based on the contractor's successful performance and the needs of the City.

Fractured Aggregate Surface Treatment (FAST) is being utilized on low volume residential streets to maximize the number of miles that we can successfully maintain each year. By utilizing FAST in conjunction with mill and overlay on higher volume collector roads, we were able to resurface approximately 6.9 miles in FY 17, and 4.8 miles in FY 18. FAST is

approximately half the cost of a traditional mill and overlay and will extend the life of a roadway by 12-15 years. The process for FAST includes application of hot rubberized binder, and hot pre-coated aggregate, followed immediately by rolling/sweeping, and a final seal coat layer. Some benefits of FAST:

- High adhesion rate of aggregate, providing a more durable and aesthetically pleasing product versus traditional chip seal
- Fast curing time, and reduced construction disruption
- Helps prevent recurring cracks and potholes in asphalt, by creating a flexible barrier/seal over the asphalt road
- Environmentally friendly – approximately 500 old tires used on each lane mile
- Saves tax dollars



The application does have a noticeably rougher surface than an overlay, but on recent applications, a thicker seal coat has been used as the final layer to alleviate the roughness.

During FY 2018 Cactus completed:

- Asphalt overlay on Brewer Road
- Low volume FAST in Indian Cliffs subdivision
- FAST for Sky Mountain Ranch and Saddlerock subdivisions
- Seal coat in Sedona West subdivision and Cline Road
- Liquid Road in Chapel and Orchard subdivisions

Despite their busy schedule, Cactus was able to accommodate completing this work to fit fiscal year constraints. Staff has observed an excellent quality of work, and overall successful performance.

At a minimum, this third JOC extension will cover resurfacing of Apache Trail, Little Scout Road and the subdivisions of Jordan Park, Las Lomas, Quail Run, and the portion of Kachina that does not have sewer. It will also include placement of a seal coat on Jordan Road, Sugarloaf Drive, and the Palisades subdivision.

Community Plan Consistent: Yes - No - Not Applicable

Chapter 4 of the Community Plan addresses circulation. One of the six major goals of this chapter is to provide for safe and smooth flow of traffic, which can help be accomplished through pavement preservation and road rehabilitation.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Not approving the contract would result in continued degradation of City streets that are scheduled for maintenance.

MOTION

I move to: approve award of a Job Order Contract extension with Cactus Asphalt, Inc. in an amount not to exceed \$1,150,000 for street maintenance projects during Fiscal Year 2019.

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City of Sedona

STREET MAINTENANCE PROJECTS JOB ORDER CONTRACT

CONTRACT NO. 19-S-01

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CITY OF SEDONA

CONTRACT NO. 19-S-01

THIS AGREEMENT made and entered by and between the City of Sedona, hereinafter designated the "CITY" and "Cactus Asphalt, Inc." hereinafter designated the "JOC CONTRACTOR"

RECITALS

- A.** The City Manager of the City of Sedona, Arizona, is authorized and empowered by the City Council to execute contracts for construction and related services.
- B.** The City intends to contract for construction and related services for one or more Job Orders.
- C.** The JOC Contractor has represented to the City the ability to provide or procure the required construction and related services and, based on this representation, the City engages JOC CONTRACTOR for these services.

NOW THEREFORE, for and in consideration of the mutual covenants and considerations hereinafter contained, it is agreed by and between the City and the JOC Contractor as follows:

ARTICLE 1 – DEFINITIONS AND TERMS

When the Contract indicates that work shall be "accepted, acceptable, approve, authorized, condemned, considered necessary, contemplated, deemed necessary designated, determined, directed, disapproved, established, given, indicated, insufficient interpreted, ordered, permitted, rejected, required, reserved, satisfactory, specified sufficient, suitable, suspended, unacceptable, unsatisfactory," it shall be understood that these expressions are followed by the words "by the City of Sedona".

Wherever the following abbreviations, terms, or pronouns are used in the: specifications, plans, or other Contract Documents, the intent and meaning shall interpreted as follows:

ABBREVIATIONS

AAC	American Architecture Committee
AAN	American Association of Nurserymen
AAR	Association of American Railroads
AASHTO	American Association of State Highway and Transportation Officials
ACI	American Concrete Institute
ADEQ	Arizona Department of Environmental Quality
ADOT	Arizona Department of Transportation
AGC	Associated General Contractors of America
AI	Asphalt Institute
AIA	American Institute of Architects
AISC	American Institute of Steel Construction
AISI	American Iron and Steel Institute
AITC	American Institute of Timber Construction
ANSI	American National Standards Institute, Inc.
ARA	American Railway Association
ARS	Arizona Revised Statutes
AREA	American Railway Engineering Association
ARTBA	American Road and Transportation Builders Association
ASCE	American Society of Civil Engineers
ASLA	American Society of Landscape Architects

ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
ATSSA	American Traffic Safety Services Association
AWG	American Wire Gauge
AWPA	American Wood Preservers' Association
AWS	American Welding Society
AWWA	American Water Works Association
CRSI	Concrete Reinforcing Steel Institute
EIA	Electric Industries Association
FHWA	Federal Highway Administration, Department of Transportation
FSS	Federal Specifications and Standards
IEEE	Institute of Electrical and Electronics Engineers
IES	Illuminating Engineering Society
IMSA	International Municipal Signal Association
IPCEA	Insulated Power Cable Engineers Association
ITE	Institute of Transportation Engineers
MAG	Maricopa Association of Governments
MIL	Military Specifications
MUTCD	Manual on Uniform Traffic Control Devices
NEC	National Electrical Code
NEMA	National Electrical Manufacturers' Association
NIST	National Institute of Standards and Technology
NSF	National Sanitation Foundation (NSF)
SAE	Society of Automotive Engineers
UL	Underwriters Laboratories, Inc.

DEFINITIONS

“Advertisement” - A public announcement inviting proposals for work to be performed or materials to be furnished.

“Agreement” or “Job Order Contract” or “JOC” means this fully executed agreement between City and JOC Contractor, and includes other documents itemized and referenced in or attached to and made part of this Agreement.

“Award” - The acceptance by the City of a proposal.

“Basis of Payment” -The terms under which "work" is paid, as a designated pay item accordance with the quantity measured and the pay unit.

“Bidder” - Any individual, partnership, joint venture, firm or corporation submitting a proposal for the advertised work, acting directly or through a duly authorized representative.

“Calendar Day” - Each and every day shown on the calendar, beginning and ending at midnight.

“Certified Invoice” - An invoice from a supplier which has been reliably endorsed by the Contractor guaranteeing that the material was purchased and received for the project and establishing the value of the material.

“Change Order” - A written instrument issued after execution of a Job Order Amendment signed by City and JOC Contractor, stating their agreement upon all of the following: the scope of the change in Job Order; the amount of the adjustment to the Job Order Price; and the extent of the adjustment to the Job Order Time.

“City” means the City of Sedona, Arizona.

“City’s Representative” means the person designated in Subdivision 8.4.1.2. of this agreement.

"City's Senior Representative" means the person designated in Subdivision 8.4.1.1. of this agreement.

"Claim" - A written demand or request for additional compensation or additional time submitted to the Engineer that:

1. Contains the words "This is a claim...", within its Subject line or the first paragraph
2. Cites the contractual basis for the demand or request
3. Relates the Contractual basis cited to factual events occurring or that have occurred within the project.

"Completion Date" -The date on which the contract work is specified to be fully completed, but not limited to clean up of the work site and staging areas and submittal of record drawings.

"Construction Documents" means the plans, specifications and drawings prepared by a Design Professional or technically competent person and approved by the City after correcting for permit review requirements and incorporating addenda and approved Change Orders.

"Contract Amendment" means a specific written concurrence between the Owner and the JOC Contractor for changes to and/or extension of this Agreement.

"Contract Change Order" - A written order issued to the Contractor by the City covering extra work, additions or alterations to the plans and specifications, and establishing the basis of payment and time adjustment for the work affected by the changes. The Contract Change Order is the only method authorized for changing the Contract.

"Contract Documents" means the following items and documents in descending order of precedence executed by the City and the JOC Contractor:

- (i) Change Orders;
- (ii) Job Order Amendments
- (iii) Contract Amendments
- (iv) This Job Order Contract (this document), including description of and Basis of Payment for Unit Price JOC Work Activity
- (v) Payment and Performance Bonds
- (vi) Notice to Proceed
- (vii) Special Conditions
- (viii) Special Provisions/Technical Specifications
- (ix) Plans and Drawings
- (x) General Conditions
- (xi) Standard Specifications
- (xii) JOC Contractor's Proposal (if any)
- (xiii) JOC Contractor Statement of Qualifications

"Contract Price" means the amount or amounts set forth in Article 5 subject to Contract Amendments in accordance with this Agreement.

"Contract Services" means the services required by the Contract Documents.

"Contract Time(s)" means the time set forth in Article 4 subject to Contract Amendments in accordance with this Agreement.

"Contractor" - Party contracting directly with the City to furnish and perform all work and services in accordance with the Contract Documents.

"Cost-coefficient" means the multiplier shown in Section 5.2.2 used to calculate Job Order Price.

"County" -The county in which the work is to be done

"Day(s)" means calendar days unless otherwise specifically noted in the Contract Documents.

“Design Professional” means a qualified, licensed design professional who furnishes design and/or construction administration services.

“Differing Site Conditions” means concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated or frequently encountered for the type and scope of work indicated in the Job Order Amendment or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work. Differing Site Conditions may beneficially or adversely impact the work required.

“Duration of the Work” means the number of Days from a Job Order Notice To Proceed to Substantial Completion.

“Engineer”- The City Engineer; or his designated representative

“Extra Work” -Work not provided for in the Contract as awarded but determined by the City to be essential to the satisfactory completion of the Contract within its intended scope.

“Final Acceptance” means the completion of a Job Order as prescribed in Division 4.4.

“Gender and Number” -References are made as if masculine in gender and singular in number unless neuter gender is appropriate in the context; however, the use of any gender shall be applicable to all genders and the use of singular number shall include the plural and conversely.

“Inspector” - A person, persons, or firm authorized by the Engineer to make detailed reviews, observations, reports and determinations of contract performance.

“JOC Contractor” means JOC CONTRACTOR selected by the City to provide or procure construction and design services as detailed in this Agreement.

“JOC Contractor’s Representative” means the person described in Subdivision 8.4.2.2. of this agreement.

“JOC Contractor’s Senior Representative” means the person described in Subdivision 8.4.2.1. of this agreement.

“Job Order” or “Project” means a specific scope of Contract Services done pursuant to a Job Order Amendment.

“Job Order Amendment” means a specific written agreement between the Owner and the JOC Contractor for a Job Order including a scope, a Job Order Price, a Duration of the Work and any special conditions that may apply to be performed under this Agreement. The Job Order Amendment shall be considered to include as referenced or attached any plans, technical specifications, special provisions or drawings and specifications sufficient to locate the work site, describe the scope of work and allow the contractor to submit a complete price for the work, and the JOC Contractor’s proposal either by reference or inclusion.

“Job Order Price” means the amount calculated on the Unit Prices, Cost-coefficient and Special Items as prescribed in Division 5.2.

“JOC Payment Request” means the City form used by the JOC Contractor to request progress payments for Job Orders in accordance with Article 7.

“Job Order Time” means the time from the Job Order Notice-to-Proceed to Substantial Completion. The approved Job Order Time will be made part of this Agreement by executing a Job Order Amendment.

“Legal Requirements” means all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over a Project or Site, the practices involved in a Project or Site, or any Work.

“May” - Used to refer to permissive actions.

“Method of Measurement” - The manner in which a pay item is measured to conform with the pay unit.

“Minor Design Services” – Small in scope and up to a dollar figure of \$5000.00

“Notice for Change Order and Compensation” - A written notification submitted to the Engineer that a demand or request for additional compensation potentially may be made. The notification shall

1. Contain the words “Notification of a Claim” within its Subject line or the first paragraph
2. Describe the occurrence which is the reason that the Notice of Claim is being presented

“Notice to Proceed,” (NTP) means a written notice given by the City to the JOC Contractor fixing the date on which the JOC Contractor will start to perform the JOC Contractor’s obligations under this Work Order.

“Plans” - The drawings and pictures depicting the location and special orientation of the work to be done.

“Product Data” means illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the JOC Contractor to illustrate materials or equipment for some portion of the Work.

“Project” -The work to be completed pursuant to this contract.

“Proposal” -A standard form plus information supplied by the City, which contains spaces for completion by the Bidder which, when completed in its entirety and executed by the Bidder, along with all required additional documents, shall constitute the Bid. Said Bid shall constitute the Contractor’s offer to perform all Work required as set forth in the Contract Documents for the amount of money stated in the Bid.

“Proposal Form” - The documents furnished by the City on which the offer of a bidder is submitted.

“Proposal Guaranty” - The security furnished with a proposal to Guaranty that the bidder will enter into the Contract if the proposal is accepted.

“Record Documents” means the documents created pursuant to Section 2.10.

“Right Of Way” - A general term denoting land, property, or interest therein, acquired for project related purposes including, but not limited to construction, work area, movement of equipment and other necessary and required project activities.

“Salvable Material” - Material that can be saved or salvaged. Unless otherwise designated or directed by the City or shown on the plans, all salvable material shall become the property of the Contractor. Asbestos, hazardous substances or materials, hazardous waste or any other regulated substances or materials shall be disposed of in accordance with all applicable federal, state and local regulations.

“Samples” means physical examples, which illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

“Shall” - Refers to mandatory actions by either the Contractor or the City.

“Shop Drawings” means drawings, diagrams, schedules and other data specially prepared for the Work by the JOC Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

“Site” means the land or premises on which a Job Order is located.

“Special Item(s)” means Work that is not included in the Unit Prices as amended and is unique to a specific Project.

“Subcontractor” or “Sub consultant” means any person or entity retained by JOC Contractor as an independent contractor to perform a portion of the Contract Services and shall include material, men and suppliers.

“Substantial Completion” means when a Job Order, or an agreed upon portion of a Job Order, is sufficiently complete so that City can occupy and use the Project or a portion thereof for its intended purposes and the City has pursuant to this contract accepted the work as substantially complete.

“Superintendent” - The Contractor's authorized representative in charge of the Work.

“Unit Prices” means the prices shown on Exhibit A subject to adjustment in accordance with Article 6.

“Work” means any construction and related services, including procuring and furnishing materials, equipment, services and labor, reasonably inferable from a Job Order Amendment.

Article 2 - JOC Contractor’s Services and Responsibilities

2.1 General Services

2.1.1 Contractor’s Understanding

- A. It is understood and mutually agreed that by submitting a proposal, the Contractor acknowledges that he has carefully examined all documents pertaining to the Work, the locations, accessibility, and general character of the site of the Work and all existing buildings and structures within and adjacent to the site, and has satisfied himself as to the nature of the Work, the condition of existing buildings and structures, the conformation of the ground, subsurface conditions, the character, quality, and equipment, machinery, plant, and any other facilities needed preliminary to and during prosecution of the Work, the general and local conditions, the construction hazards, and all other matters, including but not limited to any labor situation which can in any way affect the Work under the Contract. It is further mutually agreed that by submitting a proposal, the Contractor acknowledges that he has satisfied himself as to the feasibility sufficiency and correctness of the Contract Documents for the construction of the Work and that he accepts all the terms, conditions, and stipulations contained therein.
- B. No verbal agreement or conversation with any officer, agent, or employee of the City, either before or after the execution of the Contract, shall affect or modify any of the terms, conditions, or other obligations set forth in any of the Contract Documents.
- C. The Contractor in the execution of the Work shall conform to all applicable Federal and State laws, municipal ordinances, and the rules and regulations of all authorities having jurisdiction over employment discrimination, wages and working conditions, and the construction of the Work, including but not limited to all construction codes, O.S.H.A. Requirements, and safety codes, which may apply to (1) performance of the Work; (2) protection of adjoining and adjacent property; (3) maintenance of passage-ways, guard fences or other protective facilities; and shall obtain all permits and pay for licenses and approvals necessary for the construction of the Work and give all required notices.
- D. Prior to the award of the Job Order Contract, the successful bidder must apply for business registration in the City of Sedona and obtain a City of Sedona business license within 30 days of passage of business license legislation or a written

determination that a business license is not required issued by the City's Business License Section. The business license must remain valid throughout the life of this contract. Contractor must provide a copy of this business license or a written determination prior to award and at contract renewal.

- E. The Contractor understands that, unless specifically stated otherwise in the contract documents, the intent of the contract documents is to provide complete and operable facilities. The Contractor's bid amount for this project, therefore, shall be and is considered to be for completion in conformity with this understanding, regardless of whether some aspect of the work to be performed is named as a separate bid item or not.
 - F. It is understood and mutually agreed that this project is unique in that it represents a continuous, full-time daily service to the City and the people it serves. For this reason, the Contractor must recognize that he and his employees shall act in a courteous and professional manner at all times. The City does not guarantee any use of the equipment or services described in this Contract and, therefore, no adjustments will be made because of non-use. The City of Sedona is not obligated or limited to having only the Contractor perform the tasks identified under the bid items and that the City may procure services through other providers of it's choice. The Contractor further understands that if the Contractor is not available, refuses or declines to provide the services contracted for, although the City may obtain the services through others, the City may require reimbursement from the Contractor for any costs incurred above those the City would not have incurred had the Contractor provided the service.
 - G. **NON-DISCRIMINATION.** Contractor, its agents, employees, and subcontractors, shall not discriminate in any employment policy or practice. "Discrimination" means to exclude individuals from an opportunity or participation in any activity or to accord different or unequal treatment in the context of a similar situation to similarly situated individuals because of race, color, gender, gender identity, sexual orientation, religion, national origin or ancestry, marital status, familial status, age, disability, or veteran status. (Ordinance 2015-10 (2015)).
- 2.1.2** The JOC Contractor shall furnish any and all labor, materials, equipment, transportation, utilities, services and facilities necessary to accomplish in the Job Order Amendment for which it is issued a Job Order Notice to Proceed in accordance with this Agreement. The City may determine it is in its best interest to furnish materials and equipment for a specific Job Order in accordance with the Job Order Amendment.
- 2.1.3** The Work shall be performed in a good, workmanlike and substantial manner and to the satisfaction of the City Engineer and under the direction and supervision of the City Engineer, or his properly authorized agents, within the care and skill of a qualified contractor in Sedona, Arizona.

Legal Residency Status. Subject to existing law, and regulations, illegal or undocumented aliens will not be employed by the Contractor for any work or services to be performed pursuant to this contract. The Contractor will ensure that this provision is expressly incorporated into any and all subcontracts or subordinate agreements issued in support of this contract. Contractor agrees to comply with the provisions of section 274A(a)(1)(A) and 274A(a)(2) of the Immigration and Nationality Act (8 U.S.C.1324a(a)(1)(A), 1324a(a)(2)) (the "INA employment provisions"), and any amendments thereto, prohibiting the unlawful employment of illegal or undocumented aliens. Under the terms of this agreement, the contractor shall not knowingly hire or employ for any work performed pursuant to this contract any workers or employees not lawfully authorized to work under the provisions of the Immigration and Nationality Act or

any other applicable federal or state laws. Violation of the provisions of this section shall be deemed a material breach of this contract.

- 2.1.3.1** When practical, the City of Sedona will require that the Contractor provide estimates of cost in prior to being authorized to proceed with work. The Contractor shall give due diligence in preparing such estimates that they be complete as to a general description of the work to be performed, the type of bid items applicable to the work, unit costs, an estimate of the time required for the work, and totals for performance of the work and its various parts.
- 2.1.3.2** The City requires record drawings of work performed. This may include shop drawings, sketches, maps, and line drawings indicating the performed work or work to be performed, when standard drawings need to be supplemented in order to define the work. The Contractor shall state upon completion of the work that it has been completed and that there are no latent defects. City inspection or lack thereof shall not excuse defective work.
- 2.1.4** JOC Contractor's Representative shall be reasonably available to the City and shall have the necessary expertise and experience required to supervise the Contract Services. A JOC Contractor's Representative will be assigned for each Job Order. JOC Contractor's Representative shall communicate regularly with the City and shall be vested with the authority to act on behalf of JOC Contractor.

2.2 Government Approvals and Permits

- 2.2.1** Unless otherwise provided, JOC Contractor shall obtain all necessary permits, approvals and licenses, not obtained or required to be specifically obtained by the City for the prosecution of the Work from any government or quasi-government entity having jurisdiction over the Project. A City of Sedona business license is required and must be kept current from year to year (See section 2.1.1.D.). The JOC Contractor is specifically reminded of the need to obtain the necessary environmental permits or file the necessary environmental notices.
- 2.2.2** Copies of these permits and notices must be provided to the City's Representative prior to starting the permitted activity. This provision does not constitute an assumption by the City of an obligation of any kind for violation of said permit or notice requirements. The JOC Contractor shall comply with the provisions of all permits, licenses and agreements as they bear on his activity and responsibility for the project, regardless of whether the City or the JOC Contractor obtained the permit license or agreement.
- 2.2.3** City shall be responsible for City of Sedona review and permit(s) fees for building and demolition permits. City will also pay City plan review and inspection fees for grading and drainage, water, sewer, and landscaping. City shall also pay for City utility design fees for permanent services.
- 2.2.4** JOC Contractor shall be responsible for all other permits and review fees not specifically listed in Division 2.2.3 above.
- 2.2.5** Arrangements for water required for construction purposes are the JOC Contractor's responsibility.

2.3 Pre-construction Conference

- 2.3.1** After execution of a Job Order Amendment and prior to the commencement of any Work on any Job Order, a pre-construction conference will be scheduled. If the volume of Job Order work contemplated and/or ongoing work is sufficient, the City or JOC contractor

may request that several projects be discussed in a special meeting or routine ongoing meetings held regarding work under this contract.

2.3.2 The purpose of this conference is to establish a working relationship between the JOC Contractor, utility firms, and various City agencies. The agenda will include critical elements of the work schedule, submittal schedule, level of Record Drawings required, cost breakdown of major lump sum items, payment application and processing, coordination with the involved utility firms, and emergency telephone numbers for all representatives involved in the course of construction.

2.3.3 At a minimum, attendees shall include JOC Contractor Representative, who is authorized to execute and sign documents on behalf of the firm, the job superintendent, and the JOC Contractor's safety officer official.

2.3.4 The Job Order Notice to Proceed date will be confirmed.

2.4 Control of the Work

The JOC Contractor shall properly guard and protect all partially finished work, and shall be responsible for the same until the entire Job Order is completed and accepted by the City. Any payment for completed portions of the work shall not release the JOC Contractor from such responsibility; however, he shall turn over the entire work in full accordance with the specifications or Job Order Amendment before final settlement shall be made. In case of suspension of the work for any cause whatever, the JOC Contractor shall be responsible for the Project and shall take such precautions as may be necessary to prevent damage to the Project and shall erect any necessary temporary structures, signs, or other facilities at no cost to the City.

2.4.1 As part of completing work under the Job Order Amendment, the JOC Contractor shall remove all loose concrete, lumber, wire, reinforcing, debris and other materials not incorporated in the work from the site. Clean dirt or other material generated by the project from storm drainage pipes and the public roadway should also be removed unless otherwise excused by the Engineer.

2.4.2 Unless otherwise provided in the Job Order Amendment to be the responsibility of City or a separate contractor, JOC Contractor shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit JOC Contractor to complete the Work consistent with the Job Order.

2.4.3 JOC Contractor shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Job Order. JOC Contractor shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.4.4 Survey stakes and marks required for the completion of the construction shown on the plans and described in the specifications will be furnished by the JOC Contractor.

2.4.5 JOC Contractor, its designee or the JOC Contractor's Superintendent shall be present at the Work at all times that construction activities are taking place.

2.4.5.1 All elements of the Work, such as concrete work, pipe work, etc., shall be under the direct supervision of a foreman, superintendent or his designated representative on the Site who shall have the authority to take actions required to properly carry out that particular element of the work.

- 2.4.5.2** In the event of noncompliance of this Division 6.1, the City may require the JOC Contractor to stop or suspend the Work in whole or in part.
- 2.4.6** Where the Job Order requires that a particular product be installed and/or applied by an applicator approved by the manufacturer, it is the JOC Contractor's responsibility to ensure the Subcontractor employed for such work is approved.
- 2.4.7** Before ordering materials or doing work, the JOC Contractor and each Subcontractor shall verify measurements at the Site and shall be responsible for the correctness of such measurements. No extra charge or compensation will be allowed because of differences between actual dimensions and the dimensions indicated on the drawings; differences, which may be found, shall be submitted to the City for resolution before proceeding with the work.
- 2.4.8** The JOC Contractor shall take field measurements and verify field conditions and shall carefully compare such field measurements and conditions and other information known to the JOC Contractor with the Job Order before commencing activities. Errors, inconsistencies or omissions discovered shall be reported to the City at once. Failure to do so would render any change order requested by the JOC Contractor void.
- 2.4.9** The Contractor shall establish and maintain all building and construction grades, lines, levels, and bench marks, and shall be responsible for accuracy and protection of same. This work shall be performed or supervised by a licensed civil engineer or surveyor.
- 2.4.10** Any person employed by the JOC Contractor or any Subcontractor who, in the opinion of the City, does not perform his work in a proper, skillful and safe manner or is intemperate or disorderly shall, at the written request of the City, be removed from the Work by JOC Contractor or Subcontractor employing such person, and shall not be employed again in any portion of Work without the written approval of the City. The JOC Contractor or Subcontractor shall hold the City harmless from damages or claims, which may occur in the enforcement of this section.
- 2.4.11** JOC Contractor assumes responsibility to City for the proper performance of the work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between City and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.
- 2.4.12** JOC Contractor shall coordinate the activities of all Subcontractors. If City performs other work on the Project or at the Site with separate contractors under City's control, JOC Contractor agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

2.5 Control of the Work Site

- 2.5.1** Throughout all phases of construction, including suspension of Work, JOC Contractor shall keep the Site reasonably free from debris, trash and construction wastes to permit JOC Contractor to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Prior to receiving Substantial Completion of the Work, or a portion of the Work, JOC Contractor shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit City to occupy the Project or a portion of the Project for its intended use.

- 2.5.2** JOC Contractor shall take all necessary steps, procedures or means to prevent any dust nuisance due to construction operations. The dust control measures shall be maintained at all times to the satisfaction of the City.
- 2.5.3** JOC Contractor shall maintain ADA accessibility requirements during construction activities in an occupied building or facility, pedestrian ways and sidewalks. ADA accessibility requirements shall include, but not be limited to, parking, building access, entrances, exits, restrooms, areas of refuge, and emergency exit paths of travel. JOC Contractor shall be responsible for the coordination of all work to minimize disruption to building occupants and facilities.
- 2.5.4** Only materials and equipment which are to be used directly in the Work shall be brought to and stored on the Site by the JOC Contractor. When equipment is no longer required for the Work, it shall be removed promptly from the Site. Protection of construction materials and equipment stored at the Site from weather, theft, damage and all other adversity is solely the responsibility of the JOC Contractor.
- 2.5.5** The JOC Contractor is responsible for the cost to dispose of all waste products including excess earth material, which will not be incorporated into the work under this Agreement. The waste product referred to herein shall become the property of the JOC Contractor. The JOC Contractor shall provide for the legal disposal at an appropriate off-site location for all waste products, debris, etc., and shall make necessary arrangements for such disposal. Any disposal/dumping of waste products or unused materials shall conform to applicable Federal, State and Local Regulations.
- 2.5.6** The JOC Contractor will supervise and direct the Work. He will be solely responsible for the means, methods, techniques, sequences and procedures of construction. The JOC Contractor will employ and maintain on the Work a qualified supervisor or superintendent who shall have been designated in writing by the JOC Contractor as the JOC Contractor's representative at the site. The representative shall have full authority to act on behalf of the JOC Contractor and all communications given to the representative shall be as binding as if given to the JOC Contractor. The representative shall be present on the site at all times as required to perform adequate supervision and coordination of the work. Where appropriate all Provisions of M.A.G., Section 105.5, will be applicable.
- 2.5.7** The JOC Contractor shall plan and conduct all tasks to incorporate best management practice to minimize in accordance with Best Management Practices and governing regulations stormwater pollution and air pollution.
- 2.5.8** The JOC Contractor shall plan and conduct all tasks in a manner to minimize to the extent practicable the production of waste products.
- 2.5.9** Each work proposal presented by the JOC Contractor shall identify measures which will be taken to reduce production of waste, reduce air pollution, reduce noise pollution, storm water pollution, assure consideration of public convenience issues such as trash pickup, and pedestrian, bicycle and motorized vehicular movement. A reasonable cost for such measures shall be identified and subject to deduction for failure to aggressively implement the measures. The measures shall be subject to review and acceptance by the City.

2.6 Shop Drawings, Product Data and Samples

- 2.6.1** Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the

Work for which submittals are required the way the JOC Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents.

- 2.6.2** The JOC Contractor shall review, approve, verify, and submit to the City five copies of each Shop Drawing, Product Data, Sample, and similar submittal required by the Contract Documents in accordance with the approved schedule as to cause no delay in the Work or in the activities of the City or of separate contractors. Submittals made by the JOC Contractor, which are not required by the Contract Documents, may be returned without action.
- 2.6.3** The JOC Contractor shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples, or similar submittals until the respective submittal has been approved by the City. Such Work shall be in accordance with approved submittals. Three submittals are required unless otherwise specified in the Job Order Amendment.
- 2.6.4** By approving, verifying and submitting Shop Drawings, Product Data, Samples and similar submittals, the JOC Contractor represents that the JOC Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Job Order.
- 2.6.5** The JOC Contractor shall not be relieved of responsibility for deviations from requirements of the Job Order by the City's approval of Shop Drawings, Product Data, Samples or similar submittals unless the JOC Contractor has specifically informed the City in writing of such deviation at the time of submittal and the City has given written approval to the specific deviation. The JOC Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals by the City's approval thereof.
- 2.6.6** The JOC Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the City on previous submittals.
- 2.6.7** Informational submittals upon which the City is not expected to take responsive action may be so identified in the Contract Documents.
- 2.6.8** When professional certification of performance criteria of materials, systems or equipment is required by the Job Order, the City shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

2.7 Quality Control, Testing and Inspection

2.7.1 Inspection

Inspectors may be stationed on the work site to report to the City's Representative or his Designee as to the progress of the work, the manner in which it is being performed, and also to report whenever it appears that material furnished or work performed by the JOC Contractor fails to fulfill the requirements of the specifications and Agreement. The Inspector may direct the attention of the JOC Contractor to such failure or infringement but such inspection shall not relieve the JOC Contractor from any obligation to furnish acceptable materials or to provide completed construction that is satisfactory in every particular.

- 2.7.2** In case of any dispute arising between the Inspector and the JOC Contractor as to material furnished or the manner of performing the work, the Inspector shall have the authority to reject materials or suspend the work until the question and issue can be

referred to and decided by the City. Inspectors are not authorized to revoke, alter, enlarge, relax, or release any requirements of the specifications. Inspectors shall in no case act as foremen or perform other duties for the JOC Contractor or interfere with the management of the work by the JOC Contractor.

- 2.7.3 Inspection or supervision by the City's Representative or Designee shall not be considered as direct control of the individual workman and his work. The direct control shall be solely the responsibility of the JOC Contractor.

2.8 Materials Testing

All materials used in the Work shall be new and unused, unless otherwise noted, and shall meet all quality requirements of the Job Order.

- 2.8.1 All construction materials to be used on the Work or incorporated into the Work, equipment, plant, tools, appliances or methods to be used in the Work may be subject to the inspection and approval or rejection of the City.
- 2.8.2 The procedures and methods used to sample and test material will be determined by the City. Unless otherwise specified, samples and test shall be made in accordance with the latest editions of the standard methods of AASHTO or ASTM, DSPM and MAG supplements.
- 2.8.3 For special inspection/testing, the City will select a pre-qualified Independent Testing Laboratory and will pay for initial City Acceptance Testing. Non-special inspection/testing will be paid by the Contractor unless otherwise agreed.
 - 2.8.3.1 When the first and subsequent tests indicate noncompliance with the Job Order, the cost associated with that noncompliance will be paid for by the JOC Contractor.
 - 2.8.3.2 When the first and subsequent tests indicate noncompliance with the Job Order, all retesting shall be performed by the same testing agency.
 - 2.8.3.3 The JOC Contractor will cooperate with the selected testing laboratory and all others responsible for testing and inspecting the work and shall provide them access to the Work at all times.
- 2.8.4 At the option of the City, materials may be approved at the source of supply before delivery is started.
- 2.8.5 Code compliance testing and inspections required by codes or ordinances, or by a plan approval authority, and which are made by a legally constituted authority, shall be the responsibility of and shall be paid by the JOC Contractor, unless otherwise provided in the Job Order.
- 2.8.6 JOC Contractor's convenience and quality control testing and inspections shall be the sole responsibility of the JOC Contractor and paid by the JOC Contractor.

2.9 Approved Alternates

Plans and specifications may contain references to equipment and/or materials (patented or unpatented) or "approved alternate(s)." Such references shall be regarded as establishing a standard of quality, finish, appearance or performance, or as indicating a selection or design based upon compatibility with existing equipment, materials or details of construction inherent to the project design. Such references shall not be construed as limiting the selection to a specified item, source or design detail.

- 2.9.1** After execution of the Job Order Amendment, the JOC Contractor may submit a proposal to the City for approved alternates for items referenced in plans and specs. If the City approves the proposal for alternates a Change Order will be issued to reflect such changes. The proposal shall include all information necessary for proof of quality and suitability for substitution including benefits, engineering design and data (calculations) and/or detailed plan modifications which may be required by the substitution. The JOC Contractor shall submit additional information and/or samples when required.
- 2.9.2** The City's Representative, will evaluate the information submitted, perform tests when necessary and make comparisons in order to approve or reject the proposal. If rejected, the City's Representative shall give notice of rejection to the JOC Contractor.
- 2.9.3** The Specifications may reference equipment or materials "or alternate". The reference to "or alternate" shall be construed to mean "or approved alternate" in every instance. Use of an alternate or substitute item shall be allowed only if approval was received as outlined in this Section.

2.10 Project Record Document

2.10.1 During the construction period, the JOC Contractor shall maintain at the jobsite a set of project plans and specifications of the Construction Document drawings and shop drawings for Project Record Document purposes.

2.10.1.1 The JOC Contractor shall mark these drawings to indicate the actual installation where the installation varies appreciably from the original Construction Documents. The JOC Contractor shall give particular attention to information on concealed elements, which would be difficult to identify or measure and record later. Items required to be marked include but are not limited to:

- Dimensional changes to the drawings.
- Revisions to details shown on Drawings
- Locations and depths of underground utilities
- Revisions to routing of piping and conduits.
- Revisions to electrical circuitry.
- Actual equipment locations.
- Culvert size and routing.
- Locations of concealed internal utilities.
- Changes made by Change Order.
- Details not on original Contract Drawings.

2.10.1.2 The JOC Contractor shall mark completely and accurately Record Documents prints of Construction Documents or Shop Drawings, whichever is the most capable of indicating the actual physical condition. Where Shop Drawings are marked, show cross-reference on the Construction Documents location. JOC Contractor shall mark drawings with detail and precision in accordance with these specifications, but not less than what it requires of the City and utilities in the marking of their facilities.

2.10.1.3 The JOC Contractor shall mark Project Record Drawings sets with red erasable colored pencil.

2.10.1.4 The JOC Contractor shall note Request for Information (RFI) Numbers, American Standards Institute (ASI) Numbers and Change Order numbers, etc., as required to identify the source of the change to the Construction Documents.

2.10.1.5 The JOC Contractor shall at the time of Substantial Completion, submit Record Documents prints and Shop Drawings to the City or its representative for review and comment.

2.10.2 Immediately upon receipt of the reviewed Record Documents from the City, the JOC Contractor shall correct any deficiencies and/or omissions to the drawings and prepare the following for submission to the City:

2.10.2.1 The original copy of the Record Documents (redline mark-ups).

2.11 Project Safety

2.11.1 The industrial environment in which the JOC Contractor for the City of Sedona operates may on occasion present a potential safety and health hazard to any who may be on the job site, if applicable governmental regulations and sound work rules for maintaining a safe place and environment are not followed. The Occupational Safety and Health Act (OSHA) and the City of Sedona loss control procedures are the minimum standard for safety and environmental protection and must be fully complied with at all times. All work shall be performed in compliance with all applicable federal, state and local laws, ordinances, statutes, rules and regulations including ADOSH policies and procedures. The JOC Contractor will be required to attend a City safety briefing session at the pre-construction meeting. The session shall be attended by the City's Representative, the designated Engineering Services staff, and a JOC Contractor's representative.

2.11.2 Engineering Services makes available a packet, which contains the City's OSHA compliance guidelines, emergency evacuation, the City's safety and health plan, and other safety information.

2.11.3 JOC Contractor shall conduct tailgate safety meetings regularly to ensure that safety on the job is given priority.

2.11.4 JOC Contractor shall contact the City's Representative and the City Engineering Services within one hour of the occurrence of an accident or injury arising out of the JOC Contractor's work under this Agreement.

2.11.5 JOC Contractor employees are encouraged to abate or remedy any unsafe act or condition, which may arise in the course of the JOC Contractor's work under this Agreement.

2.11.6 The City reserves the right to conduct safety audits at the job site and stop unsafe acts at any time. In addition, the City shall be notified should any OSHA inspection occur at a City job site.

2.11.7 JOC Contractor recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto.

2.11.8 JOC Contractor assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work.

2.11.9 JOC Contractor shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, JOC Contractor's Safety

Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety.

- 2.11.10** The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with JOC Contractor's personnel, Subcontractors and others as applicable.
- 2.11.11** JOC Contractor and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any City-specific safety requirements set forth in the Contract Documents, provided that such City-specific requirements do not violate any applicable Legal Requirement.
- 2.11.12** JOC Contractor will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to City's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-governmental authorities having jurisdiction over safety-related matters involving the Project or the Work. This written report will identify the injured party(s), the apparent cause of the injury, the witnesses to the injury, the response to the injury, and any other additional information that OSHA may require to be provided to the City.
- 2.11.13** JOC Contractor's responsibility for safety under this Section 2.12 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injury, losses, damages or accidents resulting from their performance of the Work.
- 2.11.14** JOC Contractor and Subcontractors must agree to provide Material Safety Data Sheets for all substances that are delivered to the City of Sedona, that come under the Occupational Safety and Health Administration Toxic and Hazardous Substances – Hazard Communication Standard, 29 CFR 1910.1200 Hazard Communication (reference Occupational Safety and Health Standards, Subpart Z Toxic and Hazardous Substances – Hazardous Communication Standard).

All JOC Contractors and all Subcontractors using chemicals on City of Sedona property, shall use only the safest chemicals, with the least harmful ingredients to human and animal health. These chemicals shall be approved for use by a City of Sedona representative prior to bringing them on property. Some chemicals that are automatically approved are legal fuel and non-accumulating, biodegradable, non-toxic chemicals.

JOC Contractor and all Subcontractors shall make every attempt to apply approved chemicals with highly volatile organic compounds, outside of working hours. Adequate ventilation shall be used at all times during the application of these approved chemicals.

In conjunction with the Occupational Safety and Health Standards, Subpart Z Toxic and Hazardous Substances – Hazard Communication Standard, 29 CFR 1910.1200 Hazard Communication, JOC Contractor and Subcontractors are hereby informed of the presence of (or possible presence of) chemicals in the area where the work requested will be performed. It is the responsibility of all selected Contractors to contact the City of Sedona for specific information relative to the type of chemicals that the City believes may be present and location of appropriate Material Safety Data Sheets.

- 2.11.15** Unless included in the Work, if the JOC Contractor encounters onsite material which he reasonably believes to contain asbestos, polychlorinated biphenyl (PCB), or other hazardous substances or materials regulated by Public Health Laws, he shall immediately stop work and report the condition to the City.

2.11.16 If the material is found to contain asbestos, PCB or other hazardous substances or materials regulated by Public Health Laws, the JOC Contractor shall not resume work in the affected area until the material has been abated or rendered harmless. The JOC Contractor and the City may agree, in writing, to continue work in non-affected areas onsite. An extension of Contract Time may be granted in accordance with Article 6.

2.11.17 Upon discovery of hazardous materials the JOC Contractor will comply with all applicable laws/ordinances and regulations and take all appropriate health and safety precautions.

2.12 Warranty

The provisions of M.A.G., Section 108.8 shall apply with the following additional requirements:

2.12.1 Should the JOC Contractor fail to begin repairs or corrective work within fourteen (14) calendar days after receipt of written notice from the City, the City may perform the necessary work and the JOC Contractor hereby agrees to reimburse the City for the actual cost.

2.12.2 If the Contractor is required to repair or replace any portion of the Project pursuant to the two-year guarantee provided by this section, the repair or replacement shall similarly be guaranteed for an additional one-year period from the date of completion of the repair.

2.12.2.1 This guarantee will not apply to damage caused by normal wear and tear or by acts beyond the JOC Contractor's control.

2.12.3 JOC Contractor's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work by persons other than JOC Contractor or anyone for whose acts JOC Contractor may be liable.

2.12.4 JOC Contractor's warranty obligation shall be for two (2) years unless otherwise stated in the Job Order Amendment.

2.12.5 Nothing in this warranty is intended to limit any manufacturer's warranty which provides City with greater warranty rights than set forth in this Section 2.12 or the Contract Documents. JOC Contractor will provide City with all manufacturers' warranties upon Substantial Completion of each job order.

2.13 Correction of Defective Work

2.13.1 JOC Contractor agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Section 2.12 above, within a period of two (2) years from the date of final acceptance of the Work or any portion of the Work by the City, or within such longer period to the extent required by the Contract Documents. A Progress Payment, or partial or entire use or occupancy of the Project by the City shall not constitute acceptance of Work not in accordance with the Contract Documents.

2.13.2 During the Work, JOC Contractor shall take meaningful steps to commence correction of such nonconforming Work as notified by the City. This includes the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If JOC Contractor fails to commence the necessary steps during the Work, City, in addition to any other remedies provided under the Contract Documents, may provide JOC Contractor with written notice that City will commence correction of such nonconforming Work with its own forces.

- 2.13.3** JOC Contractor shall, take meaningful steps to commence correction of nonconforming Work subject to Section 2.12 above. These measures include but are not limited to timely correction of the Work. If the JOC Contractor fails to initiate necessary measures with such work within seven days of receipt of written notice from the City, the City, in addition to any other remedies provided under the Contract Documents, may provide JOC Contractor with written notice that the City will commence correction of such nonconforming Work with its own forces.
- 2.13.4** If the City does perform such corrective Work, JOC Contractor shall be responsible for all reasonable costs incurred by the City in performing such correction.
- 2.13.5** The JOC Contractor shall immediately respond to any nonconforming Work that creates an emergency.
- 2.13.6** The two-year period referenced in Division 2.13.1 above applies only to JOC Contractor's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies City may have regarding JOC Contractor's other obligations under the Contract Documents.

Article 3 - City's Services and Responsibilities

- 3.1 Duty to Cooperate.** City shall, throughout the performance of the Contract Services, cooperate with JOC Contractor and perform its responsibilities, obligations and services in a timely manner to facilitate JOC Contractor's timely and efficient performance of the Contract Services and so as not to delay or interfere with JOC Contractor's performance of its obligations under the Contract Documents.
- 3.2 Information and Services.** City shall furnish the JOC Contractor, at no cost to the JOC Contractor, the following information or services for this project:
- 3.2.1** One copy of data pertinent to the work. However, the JOC Contractor can request from the City information required for the project.
- 3.2.2** Project funding and budget allocations and any changes affecting the funding or budget allocations.
- 3.2.3** For purpose of determining the Job Order Price, any Plans and Specifications.
- 3.3 City's Representative**
- 3.3.1** City's Representative shall be responsible for providing City-supplied information and approvals in a timely manner to permit JOC Contractor to fulfill its obligations under the Contract Documents.
- 3.3.2** City's Representative shall also provide JOC Contractor with prompt notice if it observes any failure on the part of JOC Contractor to fulfill its contractual obligations, including any default or defect in the project or non-conformance with the drawings and specifications.
- 3.4 Design Professional Services**
- 3.4.1** The City may contract separately with one or more Design Professionals to provide architectural and/or engineering design of the Project in accordance with the provisions of A.R.S. §34-603. This does not relieve the JOC Contractor of their design responsibility.

- 3.4.2 The City may contract with the Design Professional to provide some or all of the following services during the performance of the Work

3.5 City's Separate Contractors

City is responsible for all work performed on the Project or at the Site by separate contractors under City's control. City shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, JOC Contractor in order to enable JOC Contractor to timely complete the Work consistent with the Contract Documents.

Article 4 - Contract Time and Job Order Time

4.1 Contract Time

- 4.1.1 Contract Time shall commence on the Notice to Proceed date for this Agreement and shall be for one year with the option to extend for up to four one-year periods.
 - 4.1.1.1 The option to extend will be exercised based on the contractor's successful performance and the needs of the City. This option to extend may be exercised at the sole discretion of the City.
 - 4.1.1.2 A Contract Amendment will be processed for each extension and will commence on the anniversary date of the Notice to Proceed.
- 4.1.2 This Agreement will remain in full force and effect during the performance of any Job Order.
- 4.1.3 Work that has been started before the termination date of the contract can be completed after the termination date, however, no new Job Order Amendments may be issued.

4.2 Job Order Time

- 4.2.1 Job Orders may be issued at any time during the term of this Agreement.
- 4.2.2 Each Job Order will include a Job Order Notice to Proceed date, Duration of the Work as determined pursuant to Division 5.2 and a calculated Substantial Completion date.
- 4.2.3 JOC Contractor agrees that it will commence performance of the Work and achieve the Job Order Time.
- 4.2.4 Each Job Order Time shall be subject to adjustment in accordance with Article 6.

4.3 Substantial Completion

- 4.3.1 Substantial Completion of each Job Order is when all construction has been completed with the exception of final inspection punch list work. The purpose of granting or acknowledging substantial completion is to stop Job Order Time.
- 4.3.2 Prior to notifying the City in accordance to Division 4.3.3 below, the JOC Contractor shall inspect the Work and prepare and submit to the City a comprehensive list of items to be completed or corrected. The JOC Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the

responsibility of the JOC Contractor to complete all Work in accordance with the Contract Documents.

- 4.3.3** JOC Contractor shall notify the City in writing when it believes a Job Order, or to the extent permitted in the Contract Documents, a portion of the Job Order, is substantially complete.
- 4.3.4** Within five (5) days of City's receipt of JOC Contractor's notice, City and JOC Contractor will jointly inspect such Work to verify that it is substantially complete in accordance with the requirements of the Contract Documents.
- 4.3.5** If such Work is substantially complete, City shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed within thirty (30) calendar days before Final Acceptance, (iii) provisions (to the extent not already provided in the Contract Documents) establishing City's and JOC Contractor's responsibility for the Project's security, maintenance, utilities and insurance pending Final Acceptance.
- 4.3.6** City, at its option, may use a portion of the Work which has been determined to be substantially complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items set forth in Division 4.3.5 above, (ii) JOC Contractor and City have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) City and JOC Contractor agree that City's use or occupancy will not interfere with JOC Contractor's completion of the remaining Work.
- 4.4** **Final Acceptance.** Upon receipt of written notice that the Work or identified portions of the Work is ready for final inspection and acceptance City and JOC Contractor will jointly inspect to verify that the remaining items of Work have been completed as set forth in Division 4.3.5. The City will issue a Final Acceptance Letter after the full work is complete.

4.5 Liquidated Damages.

- 4.5.1** JOC Contractor understands that if Substantial Completion is not attained within the Duration of the Work as adjusted for each Job Order, City will suffer damages, which are difficult to determine and accurately specify. The JOC Contractor agrees that if Substantial Completion is not attained within the Duration of the Work as adjusted, JOC Contractor shall pay City the amount prescribed in Division 4.5.2 below as liquidated damages for each Day that Substantial Completion extends beyond the date determined by the Duration of the Work as adjusted.
- 4.5.2** The liquidated damages for each Job Order unless a specific amount has been determined in the Job Order Amendment shall be per MAG Specifications Section 108.9, Table 108-1.

Article 5- Contract Price and Job Order Price

5.1 Contract Price.

This Agreement will have a maximum amount of **\$1,150,000.**

- 5.1.1** If the City opts to extend this Agreement pursuant to Division 4.1.1, the Contract Amendment will increase the maximum amount, if necessary.

5.2 Job Order Price

- 5.2.1.** Each Job Order price is subject to adjustments made in accordance with Article 6.
- 5.2.2** The Job Order Price shall be calculated using the Unit Prices as shown in Exhibit A, a cost for any Special Items and the Cost-Coefficient.
 - 5.2.2.1** Unless otherwise provided in the Contract Documents, each Job Order Price is deemed to include all sales, use, consumer and other taxes which are legally enacted when negotiations concluded, whether or not yet effective or merely scheduled to go into effect.
 - 5.2.2.2** The JOC Contractor guarantees to bring each Job Order within the Job Order Price or JOC Contractor alone will be required to pay the difference between the actual cost and the Job Order Price.
 - 5.2.2.3** The Unit Prices and the Cost-coefficient are subject to adjustment by Contract Amendment in accordance with Article 6.
- 5.2.3** The scope of work will vary with each Job Order. At the beginning of each Job Order, a scope conference will be scheduled to define design and construction services required of the JOC Contractor. The Job Order Amendment and related documents will be given to the JOC Contractor.
 - 5.2.3.1** The JOC Contractor will be asked to provide a proposal with the Job Order Price and a schedule indicating the Duration of the Work for the proposed Job Order based on the scope meeting and the provided documents.
- 5.3** If the JOC Contractor subcontracts or intends to subcontract part or all of the work under a job order and if the job order construction services contract includes descriptions of standard individual tasks, standard unit prices for standard individual tasks and pricing of job orders based on the number of units of standard tasks in the job order. All subcontracted work shall comply with the ARS most recent requirements.
 - 5.3.1** The JOC Contractor shall deliver promptly to each Subcontractor invited to bid a coefficient to the JOC Contractor to do all or part of the work under one or more job orders:
 - 5.3.1.2** A copy of the descriptions of all standard individual tasks on which the Subcontractor is invited to bid.
 - 5.3.1.3** A copy of the standard unit prices for the individual tasks on which the Subcontractor is invited to bid.
 - 5.3.2** If not previously delivered to the Subcontractor, the JOC Contractor shall deliver promptly the following to each Subcontractor invited to or that has agreed to do any of the work included in any job order:
 - 5.3.2.1** A copy of the description of each standard individual task that is included in the job order and that the Subcontractor is invited to perform.
 - 5.3.2.2** The number of units of each standard individual task that is included in the job order and that the Subcontractor is invited to perform.
 - 5.3.2.3** The standard unit price for each standard individual task that is included in the job order and that the Subcontractor is invited to perform.

Article 6 – Changes to Job Order Price and Time

6.1 Delays to the Contract Services

- 6.1.1** If JOC Contractor is delayed in the performance of the Contract Services due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom JOC Contractor is responsible, the Job Order Times for performance shall be reasonably extended by Change Order.
- 6.1.2** The JOC Contractor shall request an increase in the Job Order Time by written notice including an estimate of probable effect of delay on progress of the Contract Services.
 - 6.1.2.1** In the case of a continuing delay only one request is necessary. However, the City reserves the right to request, and the JOC shall provide, updates on the anticipated impact of the delay and changes in the cause or severity of the reason for the delay. The JOC shall provide the updates within three working days of the City request. Failure to provide the update shall result in a lost of delay claim time to the extent the update is received late.
 - 6.1.2.2** Written notice shall be received within five (5) Days of the commencement of the cause of the delay.
 - 6.1.2.3** When a written notice is received more than five (5) days after commencement of the cause of the delay, the period of delay shall be deemed to commence thirty (30) days prior to the giving of such notice.
- 6.1.3** By way of example, events that may entitle the JOC Contractor to an extension of the Job Order Time include acts or omissions of City or anyone under City's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, wars, floods, labor disputes, unusual delay in transportation, epidemics abroad, earthquakes, adverse weather conditions not reasonably anticipated, and other acts of God.
- 6.1.4** If adverse weather conditions are the basis for a request for additional Job Order Time, such requests shall be documented by data substantiating that weather conditions were abnormal for the period of time and could not have been reasonably anticipated, and that weather conditions had an adverse effect on the scheduled construction. Also, the JOC Contractor shall demonstrate that they took appropriate action to avoid or minimize the impact of the adverse weather.
- 6.1.5** It is understood, however, that permitting the JOC Contractor to proceed to complete any services, or any part of them, after the date to which the time of completion may have been extended, shall in no way act as a waiver on the part of the City of any of its legal rights herein.
- 6.1.6** In addition to JOC Contractor's right to a time extension for those events set forth in this Division 6.1, JOC Contractor shall also be entitled to an appropriate adjustment of the Job Order Price provided, however, that the Job Order Price shall not be adjusted for those events set forth in this Division 6.1 that are beyond the control of both JOC Contractor and City, including the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God.
- 6.1.7** If JOC Contractor is delayed in the performance of the Contract Services due to a delay for which the City is responsible, that is unreasonable under the circumstances and that

was not within the contemplation of the parties to the contract, negotiations between the City and the JOC Contractor for the recovery of damages related to expenses incurred by the JOC Contractor may be initiated. This section shall not be construed to void any provision in the contract that requires notice of delays, provides for arbitration or other procedures for settlement or provides for liquidated damages.

6.2 Differing Site Conditions

6.2.1 If JOC Contractor encounters a Differing Site Condition, JOC Contractor will be entitled to an adjustment in the Job Order Price and/or Job Order Times to the extent JOC Contractor's cost and/or time of performance are adversely impacted by the Differing Site Condition. The City shall also be entitled to an adjustment due to Differing Site Conditions to one-half the beneficial impact of the Condition on the work.

6.2.2 Upon encountering a Differing Site Condition, JOC Contractor shall provide prompt written notice to City of such condition, which notice shall not be later than seven (7) days after such condition has been encountered. JOC Contractor shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

6.3 Errors, Discrepancies and Omissions.

6.3.1 If the JOC Contractor observes errors, discrepancies or omissions in the Contract Documents, he shall promptly notify the City and request clarification.

6.3.2 If the JOC Contractor proceeds with the Work affected by such errors, discrepancies or omissions, without receiving such clarifications, he does so at his own risk. Adjustments involving such circumstances made by the JOC Contractor prior to clarification by the City shall be at the JOC Contractor's risk.

6.4 City Requested Change in Job Order.

The City reserves the right to make, at any time during the progress of a Job Order, such alterations as may be found necessary or desirable.

6.4.1 Such alterations and changes shall not invalidate this Agreement or the Job Order Amendment nor release the surety and the JOC Contractor agrees to perform the Job Order as altered, the same as if it has been a part of the original Contract Documents.

6.4.2 The City will request a proposal for a change in a Job Order from JOC Contractor, and an adjustment in the Job Order Price and/or Job Order Times shall be made based on the Unit Prices, Cost-coefficient and time.

6.5 Legal Requirements.

The Job Order Price and/or Job Order Times shall be adjusted to compensate JOC Contractor for the effects of any changes in the Legal Requirements enacted after the date of the Job Order Amendment affecting the performance of the Work. Such effects may include, without limitation, revisions required to be made to the Construction Documents because of changes in Legal Requirements.

6.6 Change Orders.

6.6.1 City and JOC Contractor shall negotiate in good faith and as expeditiously as possible the appropriate adjustments. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the adjustment.

6.6.2 All changes to a Job Order authorized by Change Orders shall be performed under the conditions of the Contract Documents.

6.7 Minor Changes in a Job Order

6.7.1 The City has authority to order minor changes to a Job Order that do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Such changes shall be effected by written order and shall be binding on the City and JOC Contractor. The JOC Contractor shall carry out such written orders promptly.

6.7.2 JOC Contractor may make minor changes to a Job Order, provided, however that JOC Contractor shall promptly inform City, in writing, of any such changes and record such changes, if appropriate, on the Project Record Documents maintained by JOC Contractor.

6.7.3 Minor changes to a Job Order will not involve an adjustment in the Job Order Price and/or Job Order Times.

6.8 Job Order Price Adjustments

6.8.1 The increase or decrease in Job Order Price resulting from a change in the Work shall be determined by the Unit prices set forth in Exhibit A and the Cost-coefficient.

6.8.2 If application of such Unit Prices will cause substantial inequity to City or JOC Contractor because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

6.8.3 If City and JOC Contractor disagree upon whether JOC Contractor is entitled to be paid for any services required by City, or if there are any other disagreements over the scope of a Job Order or proposed changes to a Job Order, City and JOC Contractor shall resolve the disagreement pursuant to Article 8 hereof.

6.8.3.1 As part of the negotiation process, JOC Contractor shall furnish City with a good faith estimate of the costs to perform the disputed services in accordance with City's interpretations.

6.8.3.2 If the parties are unable to agree and City expects JOC Contractor to perform the services in accordance with City's interpretations, JOC Contractor shall proceed to perform the disputed services, conditioned upon City issuing a written order to JOC Contractor (i) directing JOC Contractor to proceed and (ii) specifying City's interpretation of the services that are to be performed.

6.9 Changes to Unit Prices and Cost- coefficient

6.9.1 If a work item needs to be added to the Unit Prices shown in Exhibit A, the city will determine the new Unit Price utilizing the same method used to determine the original Unit Prices.

6.9.2 If this Agreement is extended pursuant to Divisions 4.1 and 5.1, the Unit Prices may be changed based on inflationary, deflationary and market changes at the time of the extension.

6.9.2.1 The Unit Prices will be evaluated by the City utilizing the same method used to determine the original unit pricing.

- 6.9.2.2** Unit Prices affected by the price of bituminous material and diesel fuel will be adjusted based on the Arizona State Department of Transportation price adjustment formula for bituminous material and diesel fuel.
- 6.9.2.3** The JOC Contractor may provide documentation demonstrating market changes to be considered by the City.
- 6.9.3** If this Agreement is extended pursuant to Divisions 4.1 and 5.1, the Cost-coefficient may be adjusted at the time of the extension.
- 6.9.3.1** The Cost-Coefficient will be adjusted for documented changes in taxes, bonding and insurance.
- 6.9.3.2** Adjustment for changes in the JOC Contractor's operating costs may be negotiated.
- 6.9.4** During the Contract Time between extension dates the JOC Contractor may request in writing to the City Engineer a JOC Amendment to adjust a Unit Price or the Cost-coefficient.
- 6.9.5** Unit Price adjustments will be allowed at the extension of the contract, except as otherwise specifically stated.
- 6.10** **Emergencies.** In any emergency affecting the safety of persons and/or property, JOC Contractor shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Job Order Price and/or Job Order Time(s) resulting from emergency work under this Section 6.10 shall be determined as provided in this Article 6.

Article 7- Procedure for Payment

7.1 Job Order Payment Request

- 7.1.1** At least five (10) working days prior to the date established for a progress payment, the JOC Contractor shall meet with the City's Representative to review the progress of the Work, as it will be reflected on the Job Order Payment Request.
- 7.1.2** The Job Order Payment Request shall constitute JOC Contractor's representation that the Work has been performed consistent with the Contract Documents, has progressed to the point indicated in the Job Order Payment Request, and that all Work for which payment is requested has been incorporated into the project and is clear of all claims, liens, encumbrances and security interests. The City reserves the right to request written documents verifying the clear status of any work for which payment is requested.

7.2 Partial Payments

- 7.2.1** Partial payment will be made for Job Orders with Duration of the Work greater than 90 Days and may be made if Duration of the Work is less than 90 Days.
- 7.2.2** JOC Contractor shall submit a Job Order Payment Request to the City once each calendar month, but not more than once in a 30-day period, beginning with the first month after the Job Order Notice to Proceed. The first payment request shall not be made prior to 15 days after starting the work.
- 7.2.3** The Job Order Payment Request may request payment only for equipment and materials incorporated into the Project.

7.2.3.1 For equipment and materials suitably stored at the Site, the equipment and materials shall be protected by suitable insurance and City shall receive the equipment and materials free and clear of all liens and encumbrances.

7.2.3.2 For materials and equipment stored off the Site, the City must approve the storage. The material and equipment must be stored within Yavapai County or Coconino County and be accessible for City's inspection. Title to such materials and equipment shall include applicable insurance, bonding, storage and transportation to the Site.

7.2.3.3 All bonds and insurance required for stored materials shall be in the City's name.

7.3 Payment of Job Order Price

7.3.1 Invoice Processing: The City will not accept inaccurate, illegible, or incomplete invoices (requests for payments). Invoices shall be hard copy, with original signature. Electronic or facsimile signatures are not acceptable on the invoice.

7.3.1.1 The City distributes payments on every other Thursday, beginning on **10/15/2015**, unless holidays dictate otherwise.

7.3.1.2 The City's Project Engineer must receive an acceptable, correct invoice with required supporting documentation not later than close of business on the Monday, ten calendar days prior to the expected check distribution day.

7.3.1.3 For projects longer than 60 calendar days duration, each request for payment shall be accompanied by a progress schedule, effective through the invoice period. The City shall not release a payment until the contractor provides an acceptable, accurate, and updated project schedule.

7.3.2 City shall pay JOC Contractor all amounts properly due. If City determines that JOC Contractor is not entitled to all or part of a JOC Contractor Payment Request, it will notify JOC Contractor in writing within (7) days after the date JOC Contractor Payment Request is received by the City. The notice shall indicate the specific amounts City intends to withhold, the reasons and contractual basis for the withholding, and the specific measures JOC Contractor must take to rectify City's concerns. JOC Contractor and City will attempt to resolve City's concerns. If the parties cannot resolve such concerns, JOC Contractor may pursue its rights under the Contract Documents, including those under Article 8 hereof.

7.4 Retention on Job Order Payments

Pursuant to Arizona Revised Statutes Title 34-609.B: There is a 10% retention for job-order-contracting construction services until 50% of the job is complete, then one-half of the retained amount is to be paid. Future retentions are limited to 5%.

7.5 Final Payment

7.5.1 After receipt of a final JOC Contractor Payment Request, City shall make final payment including retention as prescribed in this Article, provided that JOC Contractor has completed all of the Work in conformance with the Contract Documents and a Final Acceptance Letter has been issued by the City.

7.5.2 At the time of submission of its final JOC Contractor Payment Request for each job order, JOC Contractor shall provide the following information:

7.5.2.1 An affidavit that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or

incurred for or in connection with the Work which will in any way affect City's interests;
and

- 7.5.2.2 A general release executed by JOC Contractor waiving, upon receipt of final payment by JOC Contractor, all claims, except those claims previously made in writing to City and remaining unsettled at the time of final payment;

7.6 Payments to Subcontractors or Supplier

- 7.6.1 JOC Contractor shall pay its Subcontractors or suppliers within seven (7) calendar days of receipt of each progress payment from the City. The JOC Contractor shall pay for the amount of Work performed or materials supplied by each Subcontractor or supplier as accepted and approved by the City with each progress payment. No Contract between JOC Contractor and its Subcontractors and suppliers may materially alter the rights of any Subcontractor or supplier to receive prompt payment as provided herein.

- 7.6.2 If the JOC Contractor fails to make payments in accordance with these provisions, the City may take any one or more of the following actions and JOC Contractor agrees that the City may take such actions:

- 7.6.2.1 To hold the JOC Contractor in default under this Agreement;

- 7.6.2.2 Withhold future payments including retention until proper payment has been made to Subcontractors or suppliers in accordance with these provisions;

- 7.6.2.3 Reject all future offers to perform work for the City from the JOC Contractor for a period not to exceed one year from Substantial Completion date of this Project; or

- 7.6.2.4 Terminate this agreement.

- 7.6.3 If JOC Contractor's payment to a Subcontractor or supplier is in dispute, JOC Contractor and Subcontractor or supplier agree to submit the dispute to any of one of the following dispute resolution processes within fourteen (14) calendar days from the date any party gives notice to the other: (a) binding arbitration; (b) a form of alternative dispute resolution (ADR) agreeable to all parties or (c) a City of Sedona facilitated mediation. When a disputed claim is resolved through ADR or otherwise, the JOC Contractor and Subcontractor or supplier agree to implement the resolution within seven (7) calendar days from the resolution date.

- 7.6.4 Should the City fail or delay in exercising or enforcing any right, power, privilege, or remedy under this Section, such failure or delay shall not be deemed a waiver, release, or modification of the requirements of this Section or of any of the terms or provisions thereof.

- 7.6.5 JOC Contractor shall include these prompt payment provisions in every subcontract, including procurement of materials and leases of equipment for this Agreement.

7.7 Record Keeping and Finance Controls

- 7.7.1 Records of the JOC Contractor's direct personnel payroll, reimbursable expenses pertaining to each Job Order and records of accounts between the City and JOC Contractor shall be kept on a generally recognized accounting basis and shall be available for three years after completion of the Project. The City reserves the right to review and comment upon the adequacy of the account records.

- 7.7.2 The City, its authorized representative, and/or the appropriate federal agency, reserve the right to audit the JOC Contractor's records to verify the accuracy and appropriateness of all pricing data, including data used to negotiate Contract Documents and any change orders.
- 7.7.3 The City reserves the right to decrease Contract provisions regarding account records, Price and/or payments made on this Agreement and also require reimbursement if, upon audit of the JOC Contractor's records, the audit discloses the JOC Contractor has provided false, misleading, or inaccurate cost and pricing data.
- 7.7.4 The JOC Contractor shall include a similar provision in all of its agreements with Subconsultants and Subcontractors providing services under the Contract Documents to ensure the City, its authorized representative, and/or the appropriate federal agency, has access to the Subconsultants' and Subcontractors' records to verify the accuracy of cost and pricing data.
- 7.7.5 The City reserves the right to decrease Contract Price and/or payments made on this Agreement if the above provision is not included in Subconsultants' and Subcontractors' contracts, and one or more Subconsultants and/or Subcontractors do not allow the City to audit their records to verify the accuracy and appropriateness of pricing data.

Article 8- Claims and Disputes

8.1 Requests for Contract Adjustments and Relief.

- 8.1.1 If either JOC Contractor or City believes that it is entitled to relief against the other for any event arising out of or related to Contract Services, such party shall provide written notice to the other party of the basis for its claim for relief.
- 8.1.2 Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of the Agreement.
- 8.1.3 In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later.
- 8.1.4 Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request. The amount of claim compensation cannot include compensation for factors occurring more than 21 days before the claim.

8.2 Dispute Avoidance and Resolution

- 8.2.1 The parties are committed to working with each other throughout the Project. If disputes or disagreements do arise, JOC Contractor and City shall in good faith work to resolve such disputes or disagreements in conformance with the procedures specified in this contract.
- 8.2.2 JOC Contractor and City will first attempt to resolve disputes or disagreements at the field level through discussions between JOC Contractor's Representative and City's Representative.
- 8.2.3 If a dispute or disagreement cannot be resolved through JOC Contractor's Representative and City's Representative within fifteen (15) days from the date any party gives notice to

the other, JOC Contractor's Senior Representative and City's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement.

8.3 Duty to Continue Performance Unless provided to the contrary in the Contract Documents, JOC Contractor shall continue to perform the Work and City shall continue to satisfy its payment obligations which are not in dispute to JOC Contractor, pending the final resolution of any dispute or disagreement between JOC Contractor and City.

8.4 Representatives of the Parties

8.4.1 City's Representatives

8.4.1.1 City designates the individual listed below as the City's Senior Representative, which individual has the authority and responsibility for resolving disputes under Division 8.2.3:

Mr. J. Andy Dickey, PE
Director of Public Works/City Engineer
102 Roadrunner Drive
Sedona, AZ 86336
Phone: 928-203-5039

8.4.1.2 The City designates the individual listed below as the City's Representative who will manage the Job Order.

Mr. Stephen Craver
Engineering Supervisor
102 Roadrunner Drive
Sedona, AZ 86336
Phone: 928-203-5059

8.4.2 JOC Contractor's Representatives

8.4.2.1 JOC Contractor designates the individual listed below as the JOC Contractor's Senior Representative, which individual has the authority and responsibility for avoiding and resolving disputes under Division 8.2.3:

Mr. Bryan Glazer
Vice President
8211 W Sherman Street
Tolleson, AZ 85353
Phone: 623-433-6670

8.4.2.2 JOC Contractor will designate an individual for each Job Order as the JOC Contractor's Representative.

Article 9 – Suspension and Termination

9.1 City's Right to Stop Contract Services

9.1.1 City may, at its discretion and without cause, order JOC Contractor in writing to suspend the Work on a Job Order. The JOC Contractor is responsible for site security and protection during a suspension unless otherwise stated in writing by the City. Payment for such work during suspension shall be subject to the compensation provisions of this contract.

9.1.2 JOC Contractor may seek an adjustment of the Job Order Price and/or Job Order Time if its cost or time to perform the Contract Services has been adversely impacted by any suspension or stoppage of Work by the City.

9.2 Termination for Convenience

9.2.1 Upon receipt of written notice to JOC Contractor, City may, at its discretion and without cause, elect to terminate this Agreement or any Job Order.

9.2.2 If the City suspends the Work on any Job Order for 181 consecutive Days or more, such suspension shall be deemed a termination for convenience.

9.2.3 Upon receipt of written notice of termination of this Agreement or any Job Order, the JOC Contractor shall proceed with the following obligations.

9.2.3.1 Stop Work as specified in the notice.

9.2.3.2 Place no further subcontracts or orders.

9.2.3.3 Terminate all subcontracts to the extent they relate to the work terminated.

9.2.3.4 Assign to the City all right, title and interest of the JOC Contractor under the subcontracts terminated, in which case the City shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.

9.2.3.5 Take any action that may be necessary for the protection and preservation of the property related to the Job Order or Orders that is in the possession of the JOC Contractor and in which the City has or may acquire an interest.

9.2.4 The JOC Contractor shall submit complete termination inventory schedules no later than 120 Days from the date of the notice of termination.

9.2.5 The City shall pay JOC Contractor the following:

9.2.5.1 The direct value of its completed Work and materials supplied as of the date of termination not to exceed the total value of the Job Order, unless approved by change order.

9.2.5.2 The reasonable costs and expenses attributable to such termination.

9.2.5.3 JOC Contractor shall be entitled to profit and overhead on completed Work only and shall not be entitled to anticipated profit or anticipated overhead for uncompleted Work. If it appears the JOC Contractor would have sustained a loss on the entire Contract Services had they been completed, the JOC Contractor shall not be allowed profit and the City shall reduce the settlement to reflect the indicated rate of loss.

9.2.6 The JOC Contractor shall maintain all records and documents for three years after final settlement. These records shall be maintained and subject to auditing as prescribed in Division 7.7.

9.3 City's Right to Perform and Terminate for Cause

9.3.1 If the City provides the JOC Contractor with a written order to provide adequate maintenance of traffic, adequate cleanup, adequate dust control or to correct deficiencies or damage resulting from abnormal weather conditions, and the JOC Contractor fails to

comply in a time frame specified, the City may have work accomplished by other sources at the JOC Contractor's expense.

- 9.3.2** If JOC Contractor persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Subconsultants and/or Subcontractors, (v) prosecute the Contract Services with promptness and diligence to ensure that a Job Order is completed by the Job Order Time, as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then City, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Divisions 9.3.3 and 9.3.4 below.
- 9.3.3** Upon the occurrence of an event set forth in Division 9.3.2 above, City may provide written notice to JOC Contractor that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days or other longer period, not to exceed ninety (90) days at the sole discretion of the City as specified in the notice, of JOC Contractor's receipt of such notice.
- 9.3.3.1** If JOC Contractor fails to cure, or reasonably commence to cure, such problem, then City may give a second written notice to JOC Contractor of its intent to terminate within an additional seven (7) days or other longer period, not to exceed ninety (90) days at the sole discretion of the City as specified in the notice, of JOC Contractor's receipt of such notice.
- 9.3.3.2** If JOC Contractor, within the second period, fails to cure, or reasonably commence to cure, such problem, then City may declare the Agreement terminated for default by providing written notice to JOC Contractor of such declaration.
- 9.3.4** Upon declaring the Agreement terminated pursuant to Subdivision 9.3.3.2 above, City may for all Job Orders enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which JOC Contractor hereby transfers, assigns and sets over to City for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items.
- 9.3.5** In the event of such termination, JOC Contractor shall not be entitled to receive any further payments under the Contract Documents until the Work on all Job Orders shall be finally completed in accordance with the Contract Documents. At such time, the JOC Contractor will only be entitled to be paid for Work performed and accepted by the City prior to its default.
- 9.3.6** If City's cost and expense of completing the Work exceeds the unpaid balance of a Job Order Price or Job Order Prices, then JOC Contractor shall be obligated to pay the difference to City. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by City in connection with the re-procurement and defense of claims arising from JOC Contractor's default.
- 9.3.7** If City terminates this Agreement for cause and the termination is determined to have been without legal right, the termination for cause shall be deemed to have been a termination for convenience in accordance with the provisions of Division 9.2.

Article 10 - Insurance and Bonds

10.1 Insurance Requirements

10.1.1 Concurrently with the execution of this Agreement, the JOC Contractor shall furnish the City of Sedona a certificate of insurance on a standard insurance industry ACORD form. The ACORD form shall be issued by an insurance company authorized to transact business in the state of Arizona. The City shall be named as additional insured on liability policies

10.1.2 JOC Contractor, Subcontractors and Subconsultants shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to property, which may arise from or in connection with the performance of the work hereunder by the JOC Contractor, his agents, representatives, employees, or Subcontractors.

10.1.3 The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The limits on the insurance renew upon each extension of the contract, and shall not be cumulative over the life of the contract.

10.1.4 The City in no way warrants that the minimum limits contained herein are sufficient to protect the JOC Contractor from liabilities that might arise out of the performance of the Contract Services under this Agreement by the JOC Contractor, his agents, representatives, employees, Subcontractors or Subconsultants and JOC Contractor is free to purchase such additional insurance as may be determined necessary.

10.2 Minimum Scope And Limits Of Insurance. JOC Contractor shall provide coverage at least as broad and with limits of liability not less than those stated below.

10.2.1 Commercial General Liability-Occurrence Form (Each Occurrence)

(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Any one fire)	\$50,000

10.2.2 Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles (Each Occurrence)

(Form CA 0001, Ed 12/93 or any replacement thereof)

Combined Single Limit Per Accident	\$1,000,000
For Bodily Injury and Property Damage	

10.2.3 Workers Compensation and Employers Liability (Each Occurrence)

Workers Compensation Statutory

Employers Liability: Each Accident	\$100,000
Disease - Each Employee	\$100,000
Disease - Policy Limit	\$500,000

10.2.4 Builders' Risk Insurance (Course of Construction)

To be provided in the amount of 50% of the annual total or the annual total on the JOC.

10.3 Self-Insured Retentions

The policies set forth in these requirements may provide coverage which contain deductibles or self-insured retention amounts. Such deductibles or self-insured retention

shall not be applicable with respect to the policy limits provided to City of Sedona. JOC Contractor shall be solely responsible for any such deductible or self-insured retention amount. City of Sedona, at its option, may require JOC Contractor to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

10.4 Other Insurance Requirements

The policies are to contain, or be endorsed to contain, the following provisions:

10.4.1 Commercial General Liability and Automobile Liability Coverages

10.4.1.1 The City of Sedona, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the JOC Contractor including the City's general supervision of the JOC Contractor; products and completed operations of the JOC Contractor; and automobiles owned, leased, hired, or borrowed by the JOC Contractor.

10.4.1.2 The JOC Contractor's insurance shall contain broad form contractual liability coverage and shall not exclude liability arising out of explosion, collapse, or underground property damage hazards (XCU) coverage.

10.4.1.3 The City, its officers, officials, agents, and employees shall be additional insureds to the full limits of liability purchased by the JOC Contractor even if those limits of liability are in excess of those required by this Agreement. The commercial general liability additional insured endorsement will be at least as broad as the Insurance Services Office, Inc.'s (ISO) additional insured, form B CG 20 10 11 85.

10.4.1.4 The JOC Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by the JOC Contractor and shall not contribute to it.

10.4.1.5 The JOC Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

10.4.1.6 Coverage provided by the JOC Contractor shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

10.4.1.7 All policies, except Professional Liability, shall contain a waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from work performed by the JOC Contractor for the City.

10.4.2 Workers' Compensation and Employers Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, agents, employees, and volunteers for losses arising from work performed by the JOC Contractor for the City.

10.4.3 Builders Risk Insurance (Course of Construction): required if subject contract involves any construction of buildings, building improvements, and civil works construction (storm drain, pipes, culverts and similar facilities) in whole or part. In addition, JOC Contractor bears all responsibility for loss to all work being performed or under construction.

10.4.3.1 Builders Risk Insurance shall be maintained until whichever of the following shall first occur: (i) final payment has been made; or, (ii) until no person or entity, other than the City of Sedona, has an insurable interest in the property required to be covered.

10.4.3.2The builders' risk insurance shall be endorsed such that the insurance shall not be canceled or lapse because of any partial use or occupancy by the City.

10.4.3.3This insurance shall include as named insureds, the City of Sedona, the JOC Contractor, Subcontractors, Sub- consultants and/or others with an insurable interest in the work.

10.4.3.4This insurance shall be written on a Special Causes of Loss basis (minimally including the perils of fire, lightning, explosion, windstorm and hail, smoke, aircraft and vehicles, riot and civil commotion, theft, vandalism, malicious mischief, and collapse), replacement cost basis and shall include coverage for flood and earthquake.

10.4.3.5All rights of subrogation are hereby waived against the City of Sedona, its officers, officials, agents and employees.

10.4.3.6Builders' Risk Insurance must provide coverage from the time any covered property becomes the JOC Contractor's responsibility, and continuing without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation Site, or awaiting installation, whether on or off site.

10.4.3.7JOC Contractor is responsible for payment of all deductibles under the builder's risk policy.

10.5 Sub-consultant's and Subcontractor's Insurance

JOC Contractors' certificates shall include all subcontractors as insureds under its policies or JOC Contractor shall furnish obtain separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be sufficient to cover all of its work performed herein.

10.6 Notice Of Cancellation

Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given, by certified mail, return receipt requested to:

**City of Sedona, Engineering Services
Mr. Stephen Craver, Engineering Supervisor
102 Roadrunner Drive
Sedona, Arizona 86336**

10.7 Acceptability Of Insurers

Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an A. M. Best's rating of no less than-B++6. The City in no way warrants that the above required minimum insurer rating is sufficient to protect the JOC Contractor from potential insurer insolvency.

10.8 Verification of Coverage

10.8.1 JOC Contractor shall furnish the City Certificates of Insurance (ACORD form or equivalent approved by the City) and with original endorsements effecting coverage as required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy

endorsements that restrict or limit coverages shall be clearly noted on the certificate of insurance.

10.8.2 All certificates and endorsements are to be received and approved by the City before Contract Services commence except for Builder's Risk Insurance, which will be received and approved as provided in Division 10.2.4. Each insurance policy required by this Agreement must be in effect at or prior to the earlier of commencement of Contract Services under the Contract Documents or the signing of this Agreement except for Builder's Risk Insurance which must be in effect prior to commencement to Work and remain in effect for the duration of the Project. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal is a material breach of contract.

10.8.3 All certificates of insurance required by this Agreement shall be sent directly to the City of Sedona, City Maintenance Superintendent. The project number and project description shall be included on the Certificates of Insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Agreement, at any time.

10.8 Approval

Any modification or variation from the insurance requirements in this Agreement shall be approved by the City of Sedona City Attorney, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

10.10 Bonds and Other Performance Security.

10.10.1 Prior to execution of each individual Job Order agreement, the contractor must provide a performance bond and a payment bond for all construction services, each in an amount equal to the full amount of the agreed upon cost for that Job Order.

10.10.2 Each such bond shall be executed by a surety company or companies holding a Certificate of Authority to transact surety business in the state of Arizona, issued by the Director of the Arizona Department of Insurance. A copy of the Certificate of Authority shall accompany the bonds. The Certificate shall have been issued or updated within two years prior to the execution of this Agreement.

10.10.3 The bonds shall be made payable and acceptable to the City of Sedona.

10.10.4 The bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the state of Arizona or whose principal office is maintained in this state, as by law required, and the bonds shall have attached thereto a certified copy of Power of Attorney of the signing official.

10.10.4.1 If one Power of Attorney is submitted, it shall be for twice the total Job Order Price.

10.10.4.2 If two Powers of Attorney are submitted, each shall be for the total Job Order Price. Personal or individual bonds are not acceptable.

10.10.5 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract Documents, the JOC Contractor shall promptly furnish a copy of the bonds or shall permit a copy to be made.

10.10.6 All bonds submitted for this project shall be provided by a company which has been rated no less than B+6 by the A.M. Best Company.

Article 11 - Indemnification

11.1 JOC Contractor's General Indemnification

To the fullest extent permitted by law, JOC Contractor, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City of Sedona, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, 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 negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by JOC Contractor relating to work or services 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.

11.2 Insurance Provisions Separate

Insurance provisions set forth in this agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

11.3 Intellectual Property

The JOC Contractor shall pay all royalties and license fees associated with its performance of services herewith. The JOC Contractor shall defend suits or claims for infringement of patent rights and shall hold the City harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents. However, if the JOC Contractor has reason to believe that the required design, process or product is an infringement of a patent, the JOC Contractor shall be responsible for such loss unless such information is promptly furnished to the Design Professional.

Article 12 – General Provisions

12.1 Interpretation and Intent

12.1.1 The Contract Documents are intended to permit the parties to complete the Contract Services and all obligations required by the Contract Documents within the Job Order Times for the Job Order Prices. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards.

12.1.2 In the event of any inconsistency, conflict, or ambiguity between or among the Contract Documents, the Contract Documents shall take precedence in the order in which they are listed in the definition of Contract Documents in Article 1. On the drawings, given dimensions shall take precedence over scaled measurements, and large-scale drawings over small-scale drawings.

12.1.3 The Contract Documents form the entire agreement between City and JOC Contractor and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

12.2 Amendments

The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

12.3 Time is of the Essence

City and JOC Contractor mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

12.4 Mutual Obligations

City and JOC Contractor commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

12.5 Cooperation And Further Documentation

The JOC Contractor agrees to provide the City such other duly executed documents as shall be reasonably requested by the City to implement the intent of the Contract Documents.

12.5.1 Assignment

Neither JOC Contractor nor City shall, without the written consent of the other, assign, transfer or sublet any portion of this Agreement or part of the Work or the obligations required by the Contract Documents.

12.6 Force Majeure

Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, acts of terrorism, epidemics, governmental regulations imposed after the fact, fire, communication line failures, or power failures.

12.7 Construction Methods

If the City provides the JOC Contractor with a written order to provide adequate maintenance of traffic (pedestrian and vehicular), clean-up, dust control or to correct deficiencies or damage resulting from abnormal weather conditions, and the JOC Contractor fails to comply in the time frame specified, the City may have work accomplished by other sources at the JOC Contractor's expense.

12.8 Utility Relocations for Construction Methods

N/A

12.9 Damaged Utilities during Construction

Any utilities damaged during construction shall be replaced at the JOC Contractor's expense as per the requirements of the M.A.G. Standard Specifications and the affected utility.

12.10 Successorship

JOC Contractor and City intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns. City does reserve the right to terminate the contract upon reassignment without penalty.

12.11 Conflict In Language

All services performed shall conform to all applicable City of Sedona codes, ordinances and requirements as outlined in the Contract Documents. If there is a conflict in interpretation between provisions in this Agreement and those in exhibits, the provisions in this Agreement shall prevail.

12.12 Third Party Beneficiary

Nothing under the Contract Documents shall be construed to give any rights or benefits in the Contract Documents to anyone other than the City and the JOC Contractor, and all duties and responsibilities undertaken pursuant to the Contract Documents will be for the sole and exclusive benefit of City and the JOC Contractor and not for the benefit of any other party.

12.13 Governing Law

The Agreement and all Contract Documents shall be deemed to be made under, and shall be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Contract or to obtain any remedy with respect hereto shall be brought in the Superior Court, Yavapai County, Arizona, and for this purpose, each party hereby expressly and irrevocably consents to the jurisdiction and venue of such Court.

12.14 Severability

If any provision of the Contract Documents or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of the Contract Documents and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

12.15 Legal Requirements

JOC Contractor shall perform all Contract Services in accordance with all Legal Requirements and shall provide all notices applicable to the Contract Services as required by the Legal Requirements.

12.16 Independent Contractor

The JOC Contractor is and shall be an independent contractor. Any provisions in the Contract Documents that may appear to give the City the right to direct the JOC Contractor as to the details of accomplishing the work or to exercise a measure of control over the work means that the JOC Contractor shall follow the wishes of the City as to the results of the work only. These results shall comply with all applicable laws and ordinances.

12.17 City's Right Of Cancellation

All parties hereto acknowledge that this Agreement is subject to cancellation by the City of Sedona pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

12.18 Survival

All warranties, representations and indemnifications by the JOC Contractor shall survive the completion or termination of this Agreement.

12.19 Covenant Against Contingent Fees

The JOC Contractor warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the City Council, or any employee of the City of Sedona has any interest, financially, or otherwise, in the firm. For breach or violation of this warrant, the City of Sedona shall have the right to annul this Agreement without liability or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

12.20 No Waiver

The failure of either party to enforce any of the provisions of the Contract Documents or to require performance of the other party of any of the provisions hereof shall not be construed to be a waiver of such provisions, nor shall it affect the validity of the Contract Documents or any part thereof, or the right of either party to thereafter enforce each and every provision.

12.21 Headings

The headings used in this Agreement, or any other Contract Documents, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

12.22 Notice

Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) three (3) days after the date of the postmark of deposit by first class United States mail, registered or certified mail, postage prepaid to the address indicated below or (iii) if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the facsimile number of the intended recipient.

To City:	Mr. J. Andy Dickey, PE, City Engineer City of Sedona 108 Roadrunner Drive Sedona, Arizona 86336
To JOC Contractor:	Mr. Bryan Glazer Vice President 8211 W Sherman Street Tolleson, AZ 85353

12.23 Equal Employment Opportunity

During the performance of this contract the JOC Contractor will follow the Federal government's Affirmative Action guidelines to ensure that employees or applicants applying for employment will not be discriminated against because of race, color, religion, sex or national origin.

12.24 Hazardous Materials

Upon discovery of hazardous materials the JOC Order Contractor will comply with all applicable laws/ordinances and regulations and take all appropriate health and safety precautions.

12.25 Traffic Control

- a. Complete street closures will not be permitted unless specified in the Special Provisions. The timing and sequence of street closures shall be approved by the City Engineer or designee at least 30 days prior to the closure. This approval is necessary to provide coordination with other roadway projects and special events. Restrictions of parking, revision of speed limits, and road closures anticipated for the work shall be clearly disclosed in the Job Order Amendment, and shall be considered not necessary if not mentioned.
- b. Adequate barricades and lighted warning signs shall be installed and maintained by the Job Order Contractor throughout the duration of the project. All traffic control shall be in accordance with the M.U.T.C.D. or as per the approved barricade plan unless otherwise specified in the Special Provisions.
- c. The JOC Contractor shall submit a construction schedule and a traffic control plan to the Project Manager (or designee) for approval and/or modification at least three (3) working days before construction is initiated. For purpose of this requirement, working days are Monday through Thursday, excluding City recognized holidays.
- d. JOC Contractor will comply with all provisions of the M.U.T.C.D. and any other traffic control provisions as may be provided in the technical specifications or in the approved barricade plan.

12.26 Material Source

No material source has been designated by the City for use on this project.

12.27 Native Plants

The JOC Contractor shall take whatever steps, procedures or means necessary to remove, move, displace and save all native plants within the contract work area in accordance with the City of Sedona's Land Development Code, Native Plants, and all applicable state and county statutes, ordinances, codes and other policy requirements and recognized methods, procedures, techniques and equipment for protection, salvage, and handling of all plants to be moved from the construction area. This is not a pay item unless specified upon the Schedule of Bid Items.

12.28 Endangered Hardwoods

Any construction, building addition or alteration project which is financed by monies of this state or its political subdivisions shall not use endangered tropical hardwood unless an exemption is granted by the Director of the State of Arizona, Department of Administration. The Director shall only grant an exemption if the use of endangered tropical hardwood is deemed necessary for historical restoration or to repair existing facilities and the use of any substitute material is not practical. Any lease-purchase agreement entered into by this state or its political subdivisions for construction shall specify that no endangered tropical hardwood may be used in the construction unless an exemption is granted by the Director. As used in this subsection, "endangered tropical hardwood" includes ebony, lauan, mahogany or teak hardwood.

12.29 Responsibility for Privilege (Sales) Taxes

The contractor shall be responsible for all State of Arizona and City of Sedona transaction privilege (sales) taxes due on construction income, whether or not such taxes are specifically separated in the bid amount.

12.30 Loss and Damages

All loss or damage arising out of the nature of the work to be done or from the action of the elements, or from any unforeseen circumstances, in the prosecution of the same, or from any unusual obstructions or difficulties which may be encountered in and/or during the prosecution of the work, or from any casualty whatsoever of every description, shall be sustained and borne by the Contractor at his own cost and expense.

12.31 Rights-of-Way

The M.A.G. Standard Specification 107.12 shall apply. Areas for storage and maintenance purposes, which are required in addition to any areas secured by the City, as indicated in the plans and/or Special Conditions, are the responsibility of the JOC Contractor.

12.32 Existing Traffic and Street Signs and Traffic Signal Equipment

The Contractor shall use due care when excavating at or near intersections where traffic signal underground conduit is located. The Contractor shall notify the City Project Manager (928-204-7108) 48 hours in advance of any work at such intersections. The Contractor shall be responsible for the installation and maintenance of temporary overhead traffic signal cable as specified by the City Project Manager when underground conduit is to be severed by excavations at the intersection. The City Project Manager shall have all underground traffic conduit located and shall provide the necessary City Technicians to assist the Contractor in identifying wiring phases and direction of conduit runs upon 24 hours-notice from the Contractor and at least one day prior to the Contractor's scheduled wiring and installation of temporary cables. The Contractor shall be responsible for the wiring and connection of all temporary cable within the pull boxes and terminal compartments. The City Project Manager shall provide a City technician to assist the Contractor with connecting field wiring within the traffic signal control cabinet. The Contractor shall provide, at his expense an off-duty uniformed Police Officer to direct traffic while the traffic signal is turned off and the wiring is transferred. The Contractor shall be responsible as specified by the City Maintenance Superintendent for the repair and restoration of all traffic signal overhead and underground items that have been damaged or modified. The City does not permit the splicing of Magnetic Detector Loops.

12.33 Conflict of Interest

The City may cancel any contract or agreement, without penalty or obligation, pursuant to ARS 38-506/511.A, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City's departments or agencies is, at any time while the contract or any extension of the contract is in effect, an employee of any other party of the contract with respect to the subject matter of the contract.

13.1 Cooperative Use of Contract

This contract shall be for the permissive use by the City of Sedona. It is the City's desire to conserve resources, reduce overhead, reduce purchase costs and improve delivery time. With approval of the contractor, this contract may be extended for use by other municipalities, school districts, and government agencies in the State of Arizona, that are members of the Strategic Alliance for Volume Expenditures. Orders placed, or job orders approved by other agencies and payment thereof will be the sole responsibility of that agency. The City of Sedona shall not be held responsible for any disputes arising out of transactions made by others.

CITY OF SEDONA, ARIZONA

**Street Maintenance JOC
CONTRACT NO. 19-S-01**

AGREEMENT

IN WITNESS WHEREOF, three (3) identical counterparts of this contract each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties herein above named, on the date and year first above written.

The JOC Contractor agrees that this Contract, as awarded, is for the stated work and understands that payment for the work will be made on the basis of the indicated amount, per the terms and conditions of this contract.

CITY OF SEDONA, ARIZONA,

JOC CONTRACTOR

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

(SEAL)
ATTEST:

(SEAL)
ATTEST:

Name: _____

Name: _____

APPROVED AS TO FORM:

City Attorney

EXHIBIT A

Item No.	Description	Unit	Unit Price
1	RESET MANHOLE FRAME AND LID	EA	\$540.00
2	RESET SEWER CLEANOUT	EA	\$430.00
3	RESET WATER VALVE FRAME AND LID	EA	\$430.00
4	RECONDITIONING UNPAVED ROAD (0-300 SY)	S.Y.	\$14.50
4A	RECONDITIONING UNPAVED ROAD (301+ SY)	S.Y.	\$1.45
5	AGGREGATE BASE COURSE (0-100 TON)	TON	\$76.00
5A	AGGREGATE BASE COURSE (100+ TON)	TON	\$27.50
6	AGGREGATE BASE COURSE (RECONDITION) (0-300 SY)	S.Y.	\$15.00
6A	AGGREGATE BASE COURSE (RECONDITION) (300+ SY)	S.Y.	\$1.45
7	SUBGRADE PREP (0-300 SY)	S.Y.	\$17.00
7A	SUBGRADE PREP (300+ SY)	S.Y.	\$1.66
8	RECONDITION SHOULDER (0-300 SY)	S.Y.	\$12.50
8A	RECONDITION SHOULDER (300+ SY)	S.Y.	\$1.48
9	FOG SEAL ROADWAY (0-300 SY)	S.Y.	\$12.75
9A	FOG SEAL ROADWAY (300+ SY)	S.Y.	\$1.12
10	CRACK SEAL ROADWAY (0-0.5" wide crack)	L.F.	\$0.23
10A	CRACK SEAL ROADWAY (0.5-1" wide crack)	L.F.	\$0.26
11	ASPHALTIC CONCRETE PAVEMENT MILLING (0 IN. TO 3 IN.) (0-4000 SY)	S.Y.	\$3.77
11A	ASPHALTIC CONCRETE PAVEMENT MILLING (0 IN. TO 3 IN.) (4000+ SY)	S.Y.	\$2.50
12	ASPHALTIC CONCRETE PAVEMENT (0 IN. TO 3 IN.) (0-100 TON)	TON	\$157.00
12A	ASPHALTIC CONCRETE PAVEMENT (0 IN. TO 3 IN.) (100+ TON)	TON	\$91.50
13	ASPHALTIC CONCRETE PAVEMENT (> 3 IN.) (0-100 TON)	TON	\$163.00
13A	ASPHALTIC CONCRETE PAVEMENT (> 3 IN.) (100+ TON)	TON	\$93.00
14	ASPHALTIC CONCRETE (PERMANENT PATCH)	TON	\$136.00
15	ASPHALTIC CONCRETE TERMINATION MAG DETAIL 201 TYPE "A" (0-100 LF)	L.F.	\$10.50
15A	ASPHALTIC CONCRETE TERMINATION MAG DETAIL 201 TYPE "A" (100+ LF)	L.F.	\$4.50
16	ASPHALTIC CONCRETE TERMINATION MAG DETAIL 201 TYPE "B" (0-100 LF)	L.F.	\$10.50
16A	ASPHALTIC CONCRETE TERMINATION MAG DETAIL 201 TYPE "B" (100+ LF)	L.F.	\$4.50
17	ASPHALTIC CONCRETE DRIVEWAY MAG DETAIL 205	TON	\$165.00
18	ASPHALTIC CONCRETE EDGE REPAIR (0-100 TON)	TON	\$312.00
18A	ASPHALTIC CONCRETE EDGE REPAIR (100+ TON)	TON	\$249.00
19	ASPHALTIC CONCRETE REMOVAL (2-4") (0-100 SY)	S.Y.	\$25.00
19A	ASPHALTIC CONCRETE REMOVAL (2-4") (100+ SY)	S.Y.	\$5.46
19B	ASPHALTIC CONCRETE REMOVAL (5-6") (0-100 SY)	S.Y.	\$30.00
19C	ASPHALTIC CONCRETE REMOVAL (5-6") (100+ SY)	S.Y.	\$8.00
20	SAW CUT ASPHALTIC CONCRETE PAVEMENT (2-4" depth) (0-100 LF)	L.F.	\$3.00
20A	SAW CUT ASPHALTIC CONCRETE PAVEMENT (2-4" depth) (100+ LF)	L.F.	\$1.50
20B	SAW CUT ASPHALTIC CONCRETE PAVEMENT (5-6" depth) (0-100 LF)	L.F.	\$3.50
20C	SAW CUT ASPHALTIC CONCRETE PAVEMENT (5-6" depth) (100+ LF)	L.F.	\$2.00
21	4" PAVEMENT MARKINGS (0-100 LF)	L.F.	\$0.70
21A	4" PAVEMENT MARKINGS (100+ LF)	L.F.	\$0.30
22	12" TURN LANE MARKINGS (0-100 LF)	L.F.	\$1.00
22A	12" TURN LANE MARKINGS (100+ LF)	L.F.	\$0.60
23	12" CROSSWALK MARKINGS (0-100 LF)	L.F.	\$1.00
23A	12" CROSSWALK MARKINGS (100+ LF)	L.F.	\$0.60
24	CONCRETE HANDICAP RAMP (0-3 EA)	EA	\$2,500.00
24A	CONCRETE HANDICAP RAMP (4+ EA)	EA	\$2,300.00
25	CONCRETE SIDEWALK (4 IN.) NEW (0-20 SY)	S.Y.	\$172.00
25A	CONCRETE SIDEWALK (4 IN.) NEW (20-200 SY)	S.Y.	\$47.00
25B	CONCRETE SIDEWALK (4 IN.) NEW (200+ SY)	S.Y.	\$43.50
26	CONCRETE SIDEWALK (6 IN.) (NEW W/ FIBER REINFORCEMENT) (0-20 SY)	S.Y.	\$177.00

26A	CONCRETE SIDEWALK (6 IN.) (NEW W/ FIBER REINFORCEMENT) (20-200 SY)	S.Y.	\$65.00
26B	CONCRETE SIDEWALK (6 IN.) (NEW W/ FIBER REINFORCEMENT) (200+ SY)	S.Y.	\$56.00
27	CONCRETE DRIVEWAY (6 IN.) (NEW W/ FIBER REINFORCEMENT) (0-20 SY)	S.Y.	\$177.00
27A	CONCRETE DRIVEWAY (6 IN.) (NEW W/ FIBER REINFORCEMENT) (20+ SY)	S.Y.	\$75.00
28	CONCRETE CURB & GUTTER (MAG TYPE" A", 6 IN.) (REPLACE) (0-20 LF)	L.F.	\$155.00
28A	CONCRETE CURB & GUTTER (MAG TYPE" A", 6 IN.) (REPLACE) (20-200 LF)	L.F.	\$37.00
28B	CONCRETE CURB & GUTTER (MAG TYPE" A", 6 IN.) (REPLACE) (200+ LF)	L.F.	\$38.00
29	CONCRETE CURB (MAG TYPE "B") (REPLACE) (0-20 LF)	L.F.	\$170.00
29A	CONCRETE CURB (MAG TYPE "B") (REPLACE) (20-200 LF)	L.F.	\$37.00
29B	CONCRETE CURB (MAG TYPE "B") (REPLACE) (200+ LF)	L.F.	\$38.00
30	CONCRETE CURB & GUTTER (MAG TYPE "C") (REPLACE) (0-20 LF)	L.F.	\$155.00
30A	CONCRETE CURB & GUTTER (MAG TYPE "C") (REPLACE) (20-200 LF)	L.F.	\$37.00
30B	CONCRETE CURB & GUTTER (MAG TYPE "C") (REPLACE) (200+ LF)	L.F.	\$38.00
31	CONCRETE SIDEWALK (4 IN.) (REPLACE) (0-20 SY)	S.Y.	\$173.00
31A	CONCRETE SIDEWALK (4 IN.) (REPLACE) (20-200 SY)	S.Y.	\$73.00
31B	CONCRETE SIDEWALK (4 IN.) (REPLACE) (200+ SY)	S.Y.	\$78.00
32	CONCRETE CURB & GUTTER (MAG TYPE" A", 6 IN.) (NEW) (0-20 LF)	L.F.	\$127.00
32A	CONCRETE CURB & GUTTER (MAG TYPE" A", 6 IN.) (NEW) (20-200 LF)	L.F.	\$29.50
32B	CONCRETE CURB & GUTTER (MAG TYPE" A", 6 IN.) (NEW) (200+ LF)	L.F.	\$24.00
33	CONCRETE CURB (MAG TYPE "B") (NEW) (0-20 LF)	L.F.	\$134.00
33A	CONCRETE CURB (MAG TYPE "B") (NEW) (20-200 LF)	L.F.	\$29.50
33B	CONCRETE CURB (MAG TYPE "B") (NEW) (200+ LF)	L.F.	\$24.00
34	CONCRETE CURB & GUTTER (MAG TYPE "C") (NEW) (0-20 LF)	L.F.	\$134.00
34A	CONCRETE CURB & GUTTER (MAG TYPE "C") (NEW) (20-200 LF)	L.F.	\$30.00
34B	CONCRETE CURB & GUTTER (MAG TYPE "C") (NEW) (200+ LF)	L.F.	\$24.00
35	SEDONA RED CONCRETE COLOR	C.Y.	\$40.00
36	SIDEWALK GRINDING	L.F.	\$100.00
37	TREE REMOVAL 12 IN. TO 24 IN. Dia	EA	\$1,000.00
38	STREET SWEEPING (Power broom)	HR	\$120.00
39	SIDEWALK SWEEPING (Manual)	CR. HR	\$88.00
40	SIDEWALK SWEEPING (Power broom)	CR. HR	\$127.00
41	COMPACTED NATIVE BACKFILL (0-20 TON)	TON	\$182.00
41A	COMPACTED NATIVE BACKFILL (20+ TON)	TON	\$80.00
42	TRAFFIC CONTROL (SPECIAL)	CR. HR	\$123.00
43	TRAFFIC CONTROL (WORK ZONE)	CR. HR	\$175.00
44	ONE (1) SACK ABC SLURRY (0-10 CY)	C.Y.	\$300.00
44A	ONE (1) SACK ABC SLURRY (10+ CY)	C.Y.	\$160.00
45	CONSTRUCT GRAVEL ROAD (3 IN.) (0-100 TON)	TON	\$78.00
45A	CONSTRUCT GRAVEL ROAD (3 IN.) (100+ TON)	TON	\$48.50
46	CORE SAMPLING	EA	\$250.00
47	STORM WATER POLLUTION PREVENTION (percentage of overall work order)	%	2.00%
48	MOBILIZATION (percentage of overall work order)	%	10.00%
49	QUALITY CONTROL & TESTING (percentage of overall work order)	%	3.00%
50	CONSTRUCTION STAKING	HR	\$160.00
51	UTILITY POTHOLING	HR	\$350.00
52	TACK COAT (0-300 SY)	S.Y.	\$1.60
52A	TACK COAT (300+ SY)	S.Y.	\$0.44
53	ASPHALTIC CONCRETE PULVERIZING (2-4") (0-1000 SY)	S.Y.	\$5.50
53A	ASPHALTIC CONCRETE PULVERIZING (2-4") (1000+ SY)	S.Y.	\$1.20
53B	ASPHALTIC CONCRETE PULVERIZING (5-6") (0-1000 SY)	S.Y.	\$6.00
53C	ASPHALTIC CONCRETE PULVERIZING (5-6") (1000+ SY)	S.Y.	\$1.30
54	DUAL LAYER WEED BARRIER	S.Y.	\$10.00

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**CITY COUNCIL
AGENDA BILL**

**AB 2405
August 14, 2018
Consent Items**

Agenda Item: 3f
Proposed Action & Subject: Approval of recommendation regarding a new Series 11 Hotel/Motel Liquor License for Casa Sedona Inn located at 55 Hozoni Dr., Sedona, AZ (File #23079).

Department	City Clerk
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	Liquor License Application is available for review in the City Clerk's office.

City Attorney Approval	Reviewed 8/6/18 RLP	Expenditure Required	\$ 0
City Manager's Recommendation	Approve a new Series 11 Liquor License for Casa Sedona Inn.	Amount Budgeted	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

The City has received an application for a new Series 11 Hotel/Motel Liquor License for Casa Sedona Inn located at 55 Hozoni Dr., Sedona, AZ (File #23079). The liquor license application is available for review and inspection in the City Clerk's office or by email.

A Series 11 Liquor License is a non-transferable, on-sale retail privileges liquor license which allows the holder of a hotel/motel license to sell and serve all types of spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises. The restaurant on the licensed premises must derive at least forty percent (40%) of its gross revenue from the sale of food. The holder of this license may sell spirituous liquor in sealed containers in individual portions to its registered guests at any time by means of a minibar located in the guest rooms of registered guests. The registered guest must be at least twenty-one (21) years of age. Access to the minibar is provided by a key or magnetic card device and may not be furnished to a guest between the hours of 2:00 a.m. and 6:00 a.m.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

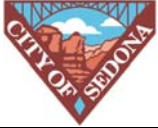
Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Recommend denial of a new Series 11 Hotel/Motel Liquor License for Casa Sedona Inn located at 55 Hozoni Dr., Sedona, AZ (File #23079). Reasons for this recommendation would need to be identified and stated.

MOTION

I move to: recommend approval of a new Series 11 Hotel/Motel Liquor License for Casa Sedona Inn located at 55 Hozoni Dr., Sedona, AZ (File #23079).



**CITY COUNCIL
AGENDA BILL**

**AB 2417
August 14, 2018
Consent Items**

Agenda Item: 3g
Proposed Action & Subject: Approval of recommendation regarding a new Series 12 Restaurant Liquor License for Nick's West Side located at 2920 W. Hwy 89A, Sedona, AZ (File #26273).

Department	City Clerk
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	Liquor License Application is available for review in the City Clerk's office.

City Attorney Approval	Reviewed 8/6/18 RLP	Expenditure Required	
		\$ 0	
City Manager's Recommendation	Approve a new Series 12 Restaurant Liquor License for Nick's West Side.	Amount Budgeted	
		\$ 0	
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

The City has received an application for a new Series 12 Restaurant Liquor License for Nick's West Side located at 2920 W. Hwy 89A, Sedona, AZ (File #26273). The liquor license application is available for review and inspection in the City Clerk's office or by email. This is necessary due to a change in ownership of the business.

A Series 12 Liquor License is a non-transferable, on-sale retail privileges liquor license that allows the holder of a restaurant license to sell and serve all types of spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food. Failure to meet the 40% food requirement may result in revocation of the license.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Recommend denial of a new Series 12 Restaurant Liquor License for Nick's West Side located at 2920 W. Hwy 89A, Sedona, AZ (File #26273). Reasons for denial would need to be identified and stated.

MOTION

I move to: recommend approval of a new Series 12 Restaurant Liquor License for Nick's West Side located at 2920 W. Hwy 89A, Sedona, AZ (File #26273).



**CITY COUNCIL
AGENDA BILL**

**AB 2404
August 14, 2018
Regular Business**

Agenda Item: 8a
Proposed Action & Subject: Presentation/discussion regarding an update from Yavapai College on their property tax increase.

Department	City Council
Time to Present	15 minutes
Total Time for Item	60 minutes
Other Council Meetings	N/A
Exhibits	None

City Attorney Approval	Reviewed 8/6/18 RLP	Expenditure Required	\$ 0
City Manager's Recommendation	For presentation and discussion only.	Amount Budgeted	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: The City Council requested that Yavapai College make a presentation regarding a recent 2% property tax increase. Dr. Clint Ewell and Dr. James Perey from Yavapai College will attend to present this information to City Council.

Community Plan Compliant: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): None.

MOTION

I move to: presentation and discussion only. No action required.

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**CITY COUNCIL
AGENDA BILL**

**AB 2409
August 14, 2018
Regular Business**

Agenda Item: 8b
Proposed Action & Subject: Discussion/possible direction regarding items for consideration by the League Resolutions Committee for possible inclusion in the 2019 League legislative program.

Department	City Manager/City Attorney
Time to Present	10 Minutes
Total Time for Item	45 Minutes
Other Council Meetings	N/A
Exhibits	A. Proposed League Resolutions

City Attorney Approval	Reviewed 8/6/18 RLP	Expenditure Required
		\$ 0
City Manager's Recommendation	Discuss and provide direction on League resolutions.	Amount Budgeted
		\$ 0
		Account No. N/A (Description)
		Finance <input checked="" type="checkbox"/> Approval

SUMMARY STATEMENT

Background: Each year, the League of Arizona Cities and Towns (League) meets, through its Resolutions Committee, to discuss proposals that have been advanced by one of several Policy Committees.

The five (5) Policy Committees are: 1) Budget, Finance and Economic Development (BFED); 2) General Administration, Human Resources and Elections (GAHRE); 3) Neighborhoods, Quality of Life and Sustainability (NQLS); 4) Public Safety, Military Affairs and Courts (PSMAC); and 5) Transportation, Infrastructure and Public Works (TIPW). Each Policy Committee meets quarterly on an as-needed basis when there are issues brought forward by Committee members for discussion. The Policy Committees ultimately vote on whether to move any proposal forward for consideration at the Annual Conference.

This year, there were eleven (11) Resolutions voted out of their respective Policy Committees. City staff has reviewed the Resolutions and identified nothing in the way of a negative operational impact to the City of Sedona. Additionally, the League staff has identified one (1) policy Resolution that they would like to have considered by the Resolutions Committee.

The purpose of this item is to discuss any questions or concerns that the Council may have in regard to any of the Policy Committee or League staff Resolutions. The Council may provide direction on positions that it wishes to take on any proposed Resolution.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for discussion and possible direction only.

July 16, 2018

Dear Mayor,

Correspondence of June 26, 2018 sent from League Staff on my behalf, announced John Giles, Mayor of Mesa and member of the League's Executive Committee, would serve as Chairman of the Resolutions Committee at the League Annual Conference.

The Chairs of five League Policy Committees will present the Resolutions discussed in their respective committees to the Resolutions Committee at the Annual Conference. League Staff will present the Staff Resolution.

Included in this packet you will find:

- Resolutions Committee Calendar
- Resolutions Committee Procedures
- Policy Committee Reports and Resolutions
- Proposed League Staff Resolutions

As the first order of business at the conference, the Resolutions Committee will meet on **Tuesday, August 21, 2018 at 1:30pm**. The actions of the full Resolutions Committee will be formally adopted at the League's Annual Business Meeting on **Thursday August 23, 2018** at 4:00 p.m.

If you have not accepted your appointment or designated a council representative to serve your city/town on the 2018 Resolutions Committee, please make that appointment [here](#).

We look forward to having all 91 cities and towns participate on the Resolutions Committee. If you have any questions or comments regarding the Resolutions Committee, your appointment or the resolutions submittal process, please do not hesitate to contact the League office.

Sincerely,



Mayor Jay Tibshraeny, Chandler
League President

Enclosures

cc (via email): Managers, Clerks without Managers, Intergovs

2018 Resolutions Committee Calendar

- April:** Mayor Giles appointed as 2018 Resolutions Committee Chairman
- May-July:** Policy Committees meet
- June 26:** League sends email requesting mayors or council designees register to represent their city/town on Resolutions Committee
- July 16:** League sends out resolutions packet to membership
- August 21:** Resolutions Committee Meeting at the League Annual Conference in Phoenix
- August 23:** Resolutions ratified at the Annual Business Meeting

League of Arizona Cities and Towns Resolutions Committee Procedures

1. Resolutions Committee Appointment

The President shall appoint the Chairman and members of the Resolutions Committee. Only one elected official from each city or town shall be appointed to the Committee.

2. Duties

The Resolutions Committee shall adopt statements of policy amending the annual Municipal Policy Statement, special resolutions and such other resolutions of courtesy, commendation or appreciation as the Committee deems appropriate.

3. Submission of Resolutions

- A. All resolutions submitted by a city or town, including resolutions of courtesy, commendation or appreciation, may be considered by the Committee provided such resolutions are submitted to the Chairman of the Committee or to the League office for consideration by the Policy Committees. The resolutions process allows cities and towns to submit policy ideas to the League at any time during the year without the requirement of a co-sponsoring city or town. If approved by a policy committee, League staff will draft the resolution for presentation to the full Resolutions Committee. Sponsoring cities and towns, or other interested stakeholders may be consulted to provide more information on the idea and also may be invited to speak to the issue at one of the policy committee meetings. Submissions received after July 6 may not be processed in time for the Annual Conference.
- B. Except in the case of emergency as determined by the chair of the committee, no resolutions submitted by a city or town after the deadline specified in subsection A of this section or that have not been vetted by the Policy Committees may be considered.
- C. League staff may submit resolutions for consideration by the full Resolutions Committee if there are issues that have not been addressed through the policy committee process.

4. Resolutions Committee Process

- A. The President shall assign submissions to the relevant Policy Committee. The Policy Committees will review submissions and develop pertinent resolutions for consideration by the Resolutions Committee. Except for the provisions of subsections 3 A and B, only resolutions advanced by the Policy Committees shall be discussed at the Annual Conference Resolutions Committee.
- B. Resolutions shall be amended according to the process established by the Chairman of the Committee.
- C. The completed resolutions will go to the full Resolutions Committee at the Annual Conference for consideration. The chairs of each policy committee will be responsible for presenting the resolutions and their committee activities to the full Resolutions

Committee.

Notice shall be given to each member at least four weeks in advance of the meeting.

5. Final Report

After

the Resolutions Committee meeting, the Chairman of the Committee or a designee shall report to the entire league membership

at the Annual Business Meeting those resolutions adopted by the

Committee. Resolutions adopted by the Committee shall be formally adopted by the membership at the

Annual Business Meeting and become the basis for the annual Municipal Policy Statement.

Policy Committee Reports

The following policy committee reports and resolutions are arranged in alphabetical order. The recommended resolutions are categorized by their respective committee initials and numbered according to the order in which they were approved.

Budget, Finance and Economic Development – BFED

General Administration, Human Resources and Elections – GAHRE

Neighborhoods, Sustainability and Quality of Life – NSQL

Public Safety, Military Affairs and the Courts – PSMAC

Transportation, Infrastructure and Public Works – TIPW

Number	Resolution	Sponsor	Notes
BFED 1	Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure	Prescott	
BFED 2	Seek legislation that adds an economic presence standard, including reasonable thresholds in dollar amount and number of transactions, to address transaction privilege tax collection on remote sellers for all jurisdictions	Casa Grande	
BFED 3	Add to the League's Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state	Flagstaff	
GAHRE 1	Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.	Maricopa	
GAHRE 2	Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS).	Florence	
GAHRE 3	Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).	Yuma	
NSQL 1	Amend statute to allow local regulation of short-term home rentals through a licensing, special permit, or registration system, at the local or state level, including placing limits on number of guests, location, and % of housing that can be used for short-term rentals	Fountain Hills	

NSQL 2	Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program	Tucson	
NSQL 3	Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation	Mesa	
NSQL 4	Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities	Mesa	
PSMAC 1	Pursue all avenues for improving the relationship between cities/towns and the State Liquor Board, including having a city/town elected official or staff member, or a League representative, appointed to the Board	Glendale	
League Staff 1	Investigate and potentially support legislation permitting PSPRS members currently enrolled in the system to make a one-time irrevocable election to convert their account from the DB plan to the PSPRS DC plan.	League	

Budget, Finance and Economic Development – BFED
General Administration, Human Resources and Elections – GAHRE
Neighborhoods, Sustainability and Quality of Life – NSQL
Public Safety, Military Affairs and the Courts – PSMAC
Transportation, Infrastructure and Public Works – TIPW

These are the only items that will be voted on. The other submissions that did not move forward as resolutions will be explained at the Resolutions Committee.

Chair's Report of the Budget, Finance and Economic Development Policy Committee

Mayor Daryl Seymore, Show Low

Resolutions Committee Meeting, League Annual Conference

On **May 24, 2018**, the Budget, Finance and Economic Development committee (BFED) convened to discuss one policy issue submitted by the City of Prescott. Below is a summary of the issue considered:

1. Development impact fees. **Prescott (Policy Issue 1)**

Below is a summary of the committee discussion and recommendations:

Phil Goode, councilman, City of Prescott, submitted **Policy Issue 1** regarding impact fees. Councilman Goode explained the intent is to identify and provide solutions to challenges regarding implementing impact fee programs pursuant to SB1525 (2011), particularly in smaller communities that are experiencing high rates of growth. The councilman further explained the result of SB1525 drastically changed how the City of Prescott and other communities levy impact fees; administrative burdens; infrastructure buildout timelines; and regulatory reporting requirements are a few examples of issues that have made it difficult to assess impact fees to allow growth to pay for growth.

After committee discussion, a motion was made and unanimously approved to form a subcommittee to develop recommendations on changes to the impact fee statutes and report back at the next scheduled BFED committee.

On **June 21, 2018** the BFED convened again to discuss one policy issue submitted by the City of Flagstaff and was provided an update on an unassigned issue submitted by the City of Prescott at the **May 24, 2018** meeting:

1. Border crossing cards. **Flagstaff (Policy Issue 2)**
2. Update on Impact fees. **Prescott (Policy Issue 1)**

Below is a summary of the committee discussion and recommendations:

Caleb Blaschke, assistant to the city manager, City of Flagstaff, presented the committee information regarding potential federal legislation to permit Mexican tourists with a border crossing card to travel the entire state rather than be limited to the current 75 mile travel limit for Arizona. As mentioned in the presentation, the intent is to allow Mexican tourists to travel to destinations beyond the City of Tucson and other cities and towns near the international border, within the 75-miles restriction, to bolster tourism in northern parts of the state, such as Phoenix, Flagstaff, and central and northern Arizona.

Nathan Pryor, director of government relations, Maricopa Association of Governments, provided to the committee the background of federal administrative and legislative efforts to increase the border zone. Mr. Pryor explained the process and requirements for obtaining a border crossing

card and the I-94 requirements for tourists who wish to exceed the 75-mile restriction. In addition, Mr. Pryor referenced a University of Arizona study of the economic impact to the state from Mexican tourists and the projected increase of \$181 million in new spending associated with the expansion of the border zone beyond 75 miles.

Mayor Coral Evans, City of Flagstaff, expressed support for increasing the border zone beyond 75 miles and explained the importance of this issue for communities, like Flagstaff, where tourism is the main economic driver.

The committee asked the policy issue be continued to the next scheduled meeting and requested staff to provide additional information.

On **July 12, 2018** the BFED committee convened to discuss and vote on the following policy issues:

1. Border crossing cards. **Flagstaff (BFED 3)**
2. Development Impact fees. **Prescott (BFED 1)**
3. Remote TPT Collection. **Casa Grande (BFED 2)**

Below is a summary of the committee discussion and recommendations:

Border crossing cards:

Caleb Blaschke, assistant to the city manager, City of Flagstaff, updated the committee on the policy issue and answered the questions that were posed by committee members at the previous meeting.

Mayor Coral Evans, City of Flagstaff, reiterated the benefits of increasing the border zone in the state to communities in northern Arizona and addressed the questions and concerns raised by committee members.

After discussion, the committee voted, with one dissenting, to move the issue forward as a resolution to be considered at the annual conference.

Development Impact fees:

Phil Goode, councilman, City of Prescott, updated the committee on the intent of the policy issue submission, which is to support reforms to the impact fee statutes to reduce the regulatory burdens for all communities that levy impact fees.

Tom Savage, League legislative associate, provided the explanation of the impact fee issue statement and suggested reforms that were developed by the Impact Fee Subcommittee.

Joyce Clark, councilmember, City of Glendale, expressed concern about the risks of revisiting the issue after previous legislative attempts that nearly prohibited impact fees.

The committee deliberated the necessity of a resolution allowing League Staff to start discussions with homebuilding industry stakeholders to see if there are reforms they could support and what modifications the industry will seek. After discussion, the committee debated the verbiage of the resolution and voted, with three dissenting votes, to move it forward for consideration at the annual conference.

Remote TPT Collection:

Mayor Craig McFarland, City of Casa Grande, explained the intent of the policy issue submittal is to discuss moving forward with a legislative proposal allowing local governments to enforce existing sales and use tax laws on online sales from sellers who do not have a physical presence in the state.

Ken Strobeck, League executive director, briefly provided the committee details on the League’s legal analysis of the South Dakota v. Wayfair, Inc. Supreme Court case.

Lee Grafstrom, League tax policy analyst, provided explanation on the events following the Court’s decision and the research of the Arizona Department of Revenue regarding how other states are addressing this issue. He suggested the role of the League moving forward should be to encourage the state legislature to enact a proposal establishing an economic presence standard with thresholds to clearly define when remote sellers need to remit state and local transaction privilege taxes.

After discussion, the committee voted unanimously to move the issue forward for consideration at the annual conference.

The table below summarizes the BFED Committee’s actions:

Policy Issue	Disposition by Committee
1 Impact Fees	Resolution BFED 1
2 Remote TPT Collection	Resolution BFED 2
3 Border Crossing Card Extension	Resolution BFED 3

Daryl Seymore
Mayor of Show Low
Chair, Budget, Finance and Economic Development

BFED #1

League of Arizona Cities & Towns Resolution

Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure.

A. Purpose and Effect of Resolution

As a result of SB1525 in 2011 and the regulations it established, cities and towns have experienced some challenges implementing the complex regulatory requirements established by the legislation and maintaining the philosophy of impact fees: growth paying for itself rather than assessing existing residents who've already paid their proportionate share. Cities and towns do their best to project what type of development will occur in their communities and when infrastructure will be needed to service it; however, when development does not occur as projected, it increases the likelihood of taxpayers paying for the cost of growth to avoid refunding impact fees if the infrastructure is not built within the time frames established by the 2011 legislation.

The requirements established by SB1525 were written at a time when the housing industry was struggling, but the result is unduly burdening existing taxpayers instead. Today, with the housing market growth and demand increasing, it's time to review these requirements and explore modifications that will streamline the adoption process and add flexibility to ensure that new development pays for the associated demand of new and expanded infrastructure.

B. Relevance to Municipal Policy

There are 40 cities in the state that currently levy impact fees in at least one of the seven categories of necessary public services. As a result of changes to the impact fee statutes in the last 10 years, 15 cities and towns have discontinued levying impact fees due to the complex regulations established and the expense to comply.

C. Fiscal Impact to Cities and Towns

There is no estimate of the fiscal impact to cities and towns that levy impact fees. Ideally, any changes would result in the use of less taxpayer dollars to fund infrastructure that impact fees should be paying for.

D. Fiscal Impact to the State

There is no fiscal impact to the state.

E. Contact Information:

Sponsoring City or Town: Prescott

Name: Phil Goode, Councilman

Phone: (928) 777-1100

Email: phil.goode@prescott-az.gov

League Staff: Tom Savage

League of Arizona Cities & Towns Resolution

Seek legislation that adds an economic presence nexus standard based on reasonable thresholds for sales in dollars and number of transactions to address transaction privilege tax collection on remote sellers for all taxing jurisdictions.

A. Purpose and Effect of Resolution

The recent U.S. Supreme Court Decision in *South Dakota v. Wayfair, Inc.* overturned the outdated physical presence standard. This decision clears the way for the state and local governments to enforce existing transaction privilege tax imposition on remote sales.

Recognizing the financial drain of a physical presence standard as retail activity shifted from brick-and-mortar stores to the Internet, South Dakota began requiring collection of sales tax by sellers with no physical presence in the state provided they met certain economic criteria. The law established statewide nexus for imposing tax based on “economic presence” if a seller made more than \$100,000 in sales or 200 separate transactions in the state in a calendar year, The State of Arizona should enact a similar piece of legislation as soon as possible.

To avoid litigation such legislation should mimic the South Dakota model, including reasonable thresholds for the minimum in sales dollars and transactions in a year before triggering tax liability; applying the new standard prospectively only with a reasonable delay prior to implementation; and a requirement that the State and local tax codes for the Retail classification must remain uniform for any transaction that can be conducted by a remote seller.

B. Relevance to Municipal Policy

TPT is the largest single component of local revenues. This revenue stream must be protected against continued erosion as retail sales shift to out-of-state sellers maintaining a market in Arizona with a built-in price advantage over local retailers because they don’t collect the tax. It is also imperative that any legislation must protect the Model City Tax Code from misguided efforts to use the *Wayfair* decision to justify its wholesale elimination.

C. Fiscal Impact to Cities and Towns

Adopting an economic presence nexus standard will undoubtedly increase revenues for cities and towns through local TPT collections and increased shared revenues from State TPT collections. Any estimate of this increase should be conservatively calculated. Most of the largest online retailers are already paying the tax because they also have a physical presence. This will capture the few holdouts and mid-sized sellers, while providing relief allowing small sellers to grow.

D. Fiscal Impact to the State

Adopting an economic presence nexus standard will undoubtedly increase revenues for the State, however the same caution regarding how much of an increase to expect applies here as well.

E. Contact Information:

Sponsoring City or Town: Casa Grande

Name: Craig McFarland, Mayor

Phone: (520) 421-8600

Email: craig_mcfarland@casagrandeaz.gov

League Staff: Lee Grafstrom

League of Arizona Cities & Towns Resolution

Add to the League’s Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state.

A. Purpose and Effect of Resolution

Border Crossing Cards (BCC) authorizes the holder to cross the U.S.-Mexico border to visit the U.S. for business or pleasure for no more than 30 days and within certain areas depending on the state of travel. Applicants for a BCC must apply and be vetted at a U.S. consulate in Mexico in order to be eligible. Currently, the zone of permissible travel is limited to 25 miles beyond the border of California; up to 55 miles in New Mexico; and up to 75 miles from selected ports in Arizona. Mexican tourists wishing to travel beyond these distances or stay longer than 30 days must request an I-94 at the U.S. port of entry from the Customs and Border Protection and pay a fee. The current 75 mile zone in Arizona, which was increased from 25 miles in 1999, only allows Mexican tourists to travel as far north as the City of Tucson.

There is a proposal being developed and is supported by various organizations, including chambers of commerce and planning organizations in Arizona, to increase the zone of permissible travel from the current 75 mile limitation to the entire state, allowing Mexican tourists to travel seamlessly to places like Flagstaff and Phoenix.

B. Relevance to Municipal Policy

Tourism is a major economic driver for many communities in Arizona and increasing the border zone may positively impact the economics of cities and towns beyond the current zone.

C. Fiscal Impact to Cities and Towns

(See below)

D. Fiscal Impact to the State

A 2015 study conducted by the University of Arizona^[1] projected up to \$181 million in new spending; bringing the total projected spending by Mexican tourists to Arizona to nearly \$3.1 billion and a total jobs impact of 31,766.

^[1] Charney, Alberta, and Alan Hoogasian. *Extending the Border Zone to the Entire State of Arizona: Estimated Expenditures and Economic Impact Simulations, 2013-2016.*

E. Contact Information:

Sponsoring City or Town: Flagstaff
Name: Coral Evans, Mayor
Phone: (928) 213-2015
Email: cevans@flagstaffaz.gov
League Staff: Tom Savage

Chair's Report of the General Administration, Human Resources and Elections Committee

Mayor Lana Mook, El Mirage

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **June 21, 2018 and July 21, 2018**, General Administration, Human Resources and Elections Committee (GAHRE) convened to discuss three policy issues submitted by the cities of, Maricopa and San Luis as well as the Town of Florence. Below is a summary of the issue considered by GAHRE:

1. Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office. **Maricopa (Policy Issue 1)**
2. Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS). **Florence (Policy Issue 2)**
3. Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding). **(Policy Issue 3)**

Below is a summary of the committee discussion and recommendations:

The City of Maricopa submitted **Policy Issue 1**. This issue was adopted as a resolution by the League Resolutions Committee last year. Legislation was introduced which passed the Senate but died in the House in the waning days of the session. Mayor Christian Price explained that current state statute, recently amended by the state legislature, allows surplus campaign contributions to be transferred to a campaign for statewide office by any elected official; with the lone exception of city and town elected officials. Excluding mayors and councilmembers from using campaign contributions to seek statewide office is a clear equity issue that really has no justification.

The committee once again agreed that this is an issue that needs to be rectified by a change to state law and recommended that this policy issue be designated as a proposed resolution to be considered by the Resolutions Committee at the League Annual Conference. There was a unanimous vote by the committee to forward this policy issue as a resolution to the Resolutions Committee at the League Annual Conference.

The Town of Florence proposed **Policy Issue 2** that would allow cities and towns to use excess funds from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS). Scott Barber, HR Director for the Town of Florence explained that like many Arizona communities, the Town once had a fully volunteer fire department to provide fire protection service to its citizens. Over time the approach evolved to having a department which includes both full-time (career) firefighters and part-timers to help maintain minimum staffing levels. One legacy from the fully volunteer days is the Florence Fire Department Profit Sharing Plan, a retirement vehicle which the town continues to use as a benefit for part-time employees in the department. Part-timers contribute a percentage of their compensation which is matched by the Town. For many years the vesting schedule for the Plan

was 5 years. Therefore, part-time employees who left the department or who were hired as full-timers did not receive the employer’s matching funds when they terminated Plan membership. This resulted in the Plan “forfeiture account” growing until it reached its current balance of \$190,000. The Plan forfeiture account is used to pay Plan expenses and also the Town’s matching contributions for Plan participants, but the forfeiture account cannot be used for any other purpose.

The committee asked for information related to whether this change would require legislation or if it could be done under the guidelines set up by the profit sharing plan. Tim Stratton, a tax attorney from Gust Rosenfeld gave his opinion to the committee that such a change would require legislation based on an old attorney general opinion as well as the fact that fire districts recently were successful getting legislation passed doing the same thing. There was a unanimous vote by the committee to forward this policy issue as a resolution to the Resolutions Committee at the League Annual Conference.

The City of Yuma proposed **Policy Issue 3**. It proposes to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding). The 9-1-1 funding model established in 2001 for telecommunication excise tax had automatic reductions written in the legislation. It scheduled a drop in the monthly fee from 37 cents to 28 cents and ultimately decreased it to 20 cents a month by 2007. This is a 46% decrease in the monthly fee between 2001 and 2007 and, although technology has and is changing dramatically, the monthly fee remains at 20 cents in was formulated prior to the proliferation of smart phone mobile technology.

Approximately 53 million dollars have been swept from the state’s 9-1-1 funding source (Revolving Emergency Telecommunications Fund) since 2003.

Approximately 18 million dollars is now collected annually and distributed to the 9-1-1 systems throughout the state. The annual collection has fallen short of the 9-1-1 system and public safety requirements and requests. The 9-1-1 funding is inadequate and the 9-1-1 systems, especially in rural areas of the state, are suffering.

The committee discussed the issue and recommended that this policy issue be designated as a proposed resolution to be considered by the Resolutions Committee.

The table below summarizes the GAHRE Committee’s actions:

Policy Issue	Disposition by Committee
1 Campaign Funds Transfer	Resolution GAHRE 1
2 Volunteer Firefighter Excess Funds	Resolution GAHRE 2
3 9-1-1 Funding Legislative Committee	Resolution GAHRE 3

Lana Mook
 Mayor of El Mirage
 Chair, General Administration, Human Resources and Elections Committee

GAHRE#1

League of Arizona Cities & Towns Resolution

Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.

A. Purpose and Effect of Resolution

The inability for local officials to transfer contributions to a statewide or legislative office is simply not equal treatment. This change would encourage more local elected officials to run for statewide office.

B. Relevance to Municipal Policy

City and town elected officials, because of their experience, should be encouraged to run for statewide or legislative office. It is not reasonable to exclude them from using contributions in this way.

C. Fiscal Impact to Cities and Towns

No fiscal impact to cities and towns.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: City of Maricopa

Name: Dale Wiebusch, Intergovernmental Affairs Director

Phone: 602-549-3696 Email: dale.wiebusch@maricopa-az.gov

League Staff: Tom Belshe

League of Arizona Cities & Towns Resolution

Allow cities and towns to use excess funds from a volunteer fire department profit sharing plan to pay down unfunded liability in the Public Safety Personnel Retirement System (PSPRS).

A. Purpose and Effect of Resolution

Several Arizona communities at one time had fully volunteer fire departments to provide fire protection service to its citizens. Over time the approach evolved into having a department which includes both full-time (career) firefighters and part-timers to help maintain minimum staffing levels at our One legacy from the fully volunteer days is that these volunteer departments offered “profit-sharing plans”, a retirement vehicle which continue to be used as a benefit for part-time employees in the departments. Part-timers contribute a percentage of their compensation which is matched by the city or town. For many years the vesting schedule was 5 years. Therefore, part-time employees who left the departments or who were hired as full-timers did not receive the employer’s matching funds when they terminated plan membership. This resulted in excess funds growing in the accounts. These forfeited, excess funds cannot be used for any other purpose. Cities and towns would like to see legislation drafted to allow the use of excess part-time pension funds to apply towards liabilities under PSPRS.

B. Relevance to Municipal Policy

Cities and towns are desperately looking for ways to reduce the very significant burden of PSPRS unfunded liability.

C. Fiscal Impact to Cities and Towns

Decreasing unfunded liability in the PSPRS will have a positive impact to municipal budgets.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: Town of Florence

Name: Scott Barber, HR Director

Phone: 520-868-7545

Email: scott.barber@florenceaz.gov

League Staff: Tom Belshe

League of Arizona Cities & Towns Resolution

Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).

A. Purpose and Effect of Resolution

The 9-1-1 funding model established in 2001 for telecommunication excise tax (9-1-1 tax) had automatic reductions written in the legislation. It scheduled a drop in the monthly fee from 37 cents to 28 cents and ultimately decreased it to 20 cents a month by 2007. This is a 46% decrease in the monthly fee between 2001 and 2007 and, although technology has and is changing dramatically, the monthly fee remains at 20 cents in was formulated prior to the proliferation of smart phone mobile technology.

Approximately 53 million dollars have been swept from the state’s 9-1-1 funding source (Revolving Emergency Telecommunications Fund) since 2003. Approximately 18 million dollars is now collected annually and distributed to the 9-1-1 systems throughout the state. The annual collection has fallen short of the 9-1-1 system and public safety requirements and requests.

Consequences of 9-1-1 system funding shortfalls:

- Significant delay in replacing aging 9-1-1 equipment.
- Inability to fund additional 9-1-1 equipment needed to match 9-1-1 call volume increases.
- No funding available for new PSAPS (City of Maricopa, Mesa Fire, Somerton PD, etc.).
- Statewide Wireless 9-1-1 Phase II (X/Y location) access is not available due to lack of funds to compensate wireless carriers.

A legislative study group would allow elected members to look at the 9-1-1 needs for the entire state, not just a single region or community. The findings will be submitted in a report along with any recommendations from the proposed group.

B. Relevance to Municipal Policy

The health, safety and welfare of our citizens is paramount to elected officials. We need to explore how to assure adequate funding for a 9-1-1 system that will serve the needs of citizens in all areas of the state.

C. Fiscal Impact to Cities and Towns

No fiscal impact to cities and towns.

D. Fiscal Impact to the State

No fiscal impact to the state.

E. Contact Information

Sponsoring City or Town: City of Yuma
Name: Rodney Short, Assistant City Attorney
Phone: (928) 373-5050
Email: rodney.short@yumaaz.gov
League Staff: Tom Belshe

Chair's Report of the Neighborhoods, Sustainability, and Quality of Life Policy Committee

Mayor Linda Kavanagh, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **June 12 and July 12, 2018**, the Neighborhoods, Sustainability, and Quality of Life Policy Committee (NSQL) convened to discuss six policy issues submitted by committee members for consideration. Below is a summary of the policy issues considered by NSQL:

1. Advocate for local regulation of short-term rentals. – **Fountain Hills (Policy Issue 1)**
2. Advocate for an open space preservation/scientific and cultural facilities special district. – **Gilbert (Policy Issue 2)**
3. Advocate for a state workforce housing tax credit modeled after the federal Low-Income Housing Tax Credit (LIHTC) program. – **Tucson (Policy Issue 3)**
4. Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation. – **Mesa (Policy Issue 4)**
5. Work with the Arizona Department of Health Services to expedite their rulemaking process for the sober living home licensing system. – **Mesa (Policy Issue 5)**
6. Advocate for legislation to protect airport operations from encroachment. - **Mesa (Policy Issue 6)**

Below is a summary of the committee discussion and the recommendations:

The Town of Fountain Hills submitted **Policy Issue 1** for consideration at the June 12 meeting. In preparation for the meeting, input on short-term home rental problems and proposed solutions were requested by League staff by email and then summarized. At the June 12 meeting this information was presented by staff and the committee then discussed various examples of the negative consequences that short-term home rentals have had in Arizona and other states and various policy approaches that could be used to address these issues. The committee agreed on a list of provisions that should be included in legislation for next session. This information was reviewed at the July 12 meeting, at which time the committee added several more proposed provisions and voted to move the proposal forward for consideration at the Annual Conference.

The Town of Gilbert submitted **Policy Issue 2** for consideration at the June 12 meeting. At the meeting Councilman Anderson (Gilbert) presented information about Denver's Scientific and Cultural Facilities District, a special taxing district that funds several parks and science/cultural facilities in the region. During the discussion questions arose about the funding structure and League staff was asked to do follow-up research on Denver's special district as well as Arizona's existing statutes for special districts. This information was reviewed at the July 12 meeting, at which time the committee decided to hold the proposal for further study.

The City of Tucson submitted **Policy Issue 3** for consideration at the July 12 meeting. At the meeting Mayor Rothschild (Tucson) presented information about Arizona's use of the federal Low-Income Housing Tax Credit as well as supplemental state-level housing credits that have

been successful in other states. After hearing the proposal the committee voted to move it forward for consideration at the Annual Conference.

The City of Mesa submitted **Policy Issue 4** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about the negative economic impact of not having a state-wide non-discrimination policy that includes gender identity and sexual orientation. The committee discussed the importance of addressing this issue as well as their local ordinances on the subject. One member noted that communities currently have the ability to address the issue locally and that it should remain an issue of local concern. The committee then voted to move the proposal forward for consideration at the Annual Conference.

The City of Mesa submitted **Policy Issue 5** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about last year's successful resolution to address unregulated sober living homes through state legislation and the need for the Arizona Department of Health Services to complete their rulemaking process as expeditiously as possible. After hearing the proposal the committee voted to authorize the League to work directly with ADHS to speed up the rulemaking process. Because legislation is not necessary the proposal did not need to be forwarded to the Resolutions Committee.

The City of Mesa submitted **Policy Issue 6** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about the conflict between airport operations and the siting of schools nearby, as well as a bill from last session that was attempting to address this issue but that did not make it through the legislative process. After discussing the need for legislation on this issue the committee voted to move the proposal forward for consideration at the Annual Conference.

NOTE: Mayor Moriarty of Sedona chaired the July 12 meeting.

The table below summarizes the NSQL Committee's actions:

Policy Issue	Disposition by Committee
1 Short Term Rental Regulation	Resolution NSQL 1
2 Special District for Scientific & Cultural Facilities	Held for further study
3 State Low-Income Housing Tax Credit	Resolution NSQL 2
4 Anti-Discrimination Law	Resolution NSQL 3
5 Rulemaking for ADHS on Sober Living Homes	Approved by NSQL, no resolution needed
6 Zoning for schools near airports	Resolution NSQL 4

Linda Kavanagh
 Mayor of Fountain Hills
 Chair, Neighborhoods, Sustainability, and Quality of Life Policy Committee

League of Arizona Cities & Towns Resolution

Amend statute to allow local regulation of short-term home rentals.

A. Purpose and Effect of Resolution

Short-term rentals are meant to help homeowners generate extra income and allow travelers to enjoy the comforts of a residential home when travelling. Short-term rentals have become very popular and economically significant but have also led to unintended consequences for neighborhoods. Most of the issues stem from the renter taking advantage of the benefits of a residential home/area without having any of the accountability/responsibility of being a long-term renter or owner, as well as the homeowner being absent or unable or unwilling to address complaints from neighbors. This includes things such as:

- Increased traffic in neighborhoods and other areas of city/town
- Noise violations that do not get resolved with calls for service
- Large parties that congest the street and are loud and disruptive
- Neighbors have no recourse for resolving issues other than calling police/city
- Short-term renters that create public safety hazards when not familiar with the area
- Allowing too many in one area can change the residential character of neighborhoods
- Increased home prices/loss of housing stock for full-time residents as investors buy homes
- Reduced availability/increased prices of long-term rental options
- Lack of tax remittance
- Negative impact to the economy of communities that depend on hotels and motels
- Treated differently than hotels, motels and B&B's (business equity, safety inspections)
- Treated differently than long-term rentals (deposits, lease, other rules/accountability)
- Treated differently than other home-based businesses (registration, permitting)

Allowing for local or state regulation of short-term rentals would address these issues by requiring that the homeowner be legally responsible. This could be accomplished by:

- Creating a distinction between “shared” homes and short-term rentals of entire residences
- Requiring a license or special use permit that can be revoked after multiple violations
- Requiring contact information be registered with the city, county or state
- Making the property owner legally responsible for all violations and fines
- Placing a cap on the number of guests that can stay in a short-term rental
- Limiting short-term home rentals to a primary or secondary homes (i.e. no investors)
- Addressing homes that are being converted into “boarding houses”, homes with separate guesthouses, and short-term rentals in multi-family housing
- Establishing a cap on # of homes or % of housing that can be used for short-term rentals and/or establishing distance requirements to avoid clustering

B. Relevance to Municipal Policy

Protecting the local housing stock as well as the residential character of neighborhoods is a municipal responsibility.

C. Fiscal Impact to Cities and Towns

There may be an administrative cost associated with regulating short-term rentals locally.

D. Fiscal Impact to the State

There may be an administrative cost to the state if regulation is pursued at the state-level.

E. Contact Information

Sponsor City/Town: Town of Fountain Hills

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League Staff: Alex Vidal

League of Arizona Cities & Towns Resolution

Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program.

A. Purpose and Effect of Resolution

Across the state of Arizona, families and individuals are facing a housing affordability crisis. In Tucson alone, more than 18,000 families are on the waiting list for Section 8 Housing Choice vouchers, and we cannot accept any new applications. According to Sally Stang, Tucson's Housing and Community Development Director, Tucson needs more than 60,000 affordable units to meet the needs of our citizens. We are not alone in this housing crisis: throughout Arizona, we are short 159,999 affordable rental homes that are needed to meet demand for existing families.

According to data from the National Low-Income Housing Coalition, in Arizona 75% of extremely low-income renter households suffer severe cost burden, spending more than half their monthly income on housing. Families must then make hard choices about paying bills, getting necessary medical care, or buying groceries.

There are few tools to incentivize affordable housing development but the ones that remain in place remain because they are sound policy. The most successful tool is the federal Low-Income Housing Tax Credit (LIHTC) program, which was created during the Reagan administration. This 32 year old program awards federal tax credits to developers who build or rehabilitate high-quality units leasing them to low income tenants at below market rents. The LIHTC credits are awarded annually through a highly competitive process administered by the Arizona Department of Housing (ADOH).

Like the federal Low-Income Housing Tax Credit (LIHTC), a state credit would support the development of a wide range of affordable housing projects for those that have limited income in rural and urban areas, in some cases with non-profits providing supportive services. This tax credit would help those who most need it, as determined by the Arizona Department of Housing (ADOH). A state credit would incentivize development which benefits our constituents in several ways: stabilizing families and reducing our homeless population; bringing in additional revenue to the city in the form of construction materials and taxes; and new jobs for construction, operation, and maintenance of new developments.

There are more than 15 states that already have a state low income housing tax credit including Utah, New Mexico, California, Oklahoma, Georgia, Nebraska and Wisconsin. In Colorado, where they have had a state affordable housing tax credit for 7 years, the outcomes have been dramatic. Analysis of that program during the three year period from 2015-2017 shows that over 4,000 housing units were directly supported through the tax credit. In addition to the new units, there has been \$465 million in new private sector investment to support housing and Colorado has leveraged \$33 million in previously untapped federal 4% LIHTC funding. Overall during this three year time period, there has been \$1.6 billion in economic impact to the state of Colorado and over 19,000 jobs created because of the housing tax credit.

Arizona could benefit similarly. This is a proven and efficient tool that drives economic development, offers relief to rent-overburdened families and will help us to end homelessness in Arizona.

B. Relevance to Municipal Policy

Homelessness and transient populations result from a lack of affordable housing and can create expensive demands on our public safety, emergency services, criminal justice, healthcare and education systems. By working together to fill the affordable housing void we can reduce our costs through the stabilization of the individuals and families who need it most.

C. Fiscal Impact to Cities and Towns

There would be no fiscal impact to cities or towns. However, cities and towns will benefit from increased development activity in the form of increased TPT and economic outputs associated with the development, operation and maintenance of this new housing.

D. Fiscal Impact to the State

Fiscal impact to the state will be determined by the limit set on the tax credit in the sponsoring legislation. Based upon what has occurred in other states, this will be offset by greater economic activity in the form of construction TPT, income tax from jobs created and increased local tax revenues.

E. Contact Information

Sponsoring City/Town: City of Tucson

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League Staff: Alex Vidal

League of Arizona Cities & Towns Resolution

Amend statute to protect from discrimination based on sexual orientation or gender identity.

A. Purpose and Effect of Resolution

Arizona must provide an environment that is welcoming and inclusive. Whether it is Fortune 500 companies that are looking to bring jobs to our state or the small businesses that are attempting to expand, nondiscrimination in the workplace is an issue of vital importance. Today, many of Arizona’s neighbors have laws that prohibit discrimination based on sexual orientation or gender identity. If we want to live in cities and a state that remain economically competitive, attract the very best talent and are vibrant places to live, we must be open for business to everyone.

Today, a baseline level of statewide nondiscrimination protections inclusive of sexual orientation and gender identity does not exist. While individual municipalities have the authority to create local ordinances unique to our individual cities and towns, we believe issues of nondiscrimination transcend borders and are a matter of statewide concern.

We urge the Arizona State Legislature to adopt statewide non-discrimination protections that are inclusive of sexual orientation and gender identity. Not only is such an update the right thing to do, it would also aid economic development efforts for our cities and the State of Arizona.

B. Relevance to Municipal Policy

Arizona cities would be stronger together with a statewide update to our laws that applied to all municipalities equally.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities and towns.

D. Fiscal Impact to the State

There is no anticipated fiscal impact to the state.

E. Contact Information

Sponsoring City/Town: City of Mesa

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League Staff: Alex Vidal

League of Arizona Cities & Towns Resolution

Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities.

A. Policy Issue

Aviation in Arizona provides more than \$58 Billion annually in economic activity. Arizona's airports are economic hubs for our cities and towns and it is crucial to protect them from encroachment which threatens their airspace and constrains their potential community benefits. In the City of Mesa, Phoenix-Mesa Gateway Airport's growth is an integral part of our local, state and international economy. The recent addition of Skybridge Arizona marks a new era in cross-border trade, growing our city and state economy and playing a vital role in international commerce. Skybridge Arizona will enable E-commerce companies, manufacturers and other commercial interests in North and South America to efficiently transport goods while ensuring safety controls. This project is expected to create thousands of direct jobs in our state and significantly increase Phoenix-Mesa Gateway Airport cargo flights. Such growth will inevitably foster future opportunities; thus, it is crucial for our cities and airports to continue to be great partners to support economic growth across our State. Other airports, large and small, throughout Arizona provide similar benefits to their local communities.

Current state law provides exemptions for schools from local planning and zoning requirements and fails to provide adequate communication and collaboration between airports and schools when a new school is locating in an airport's vicinity. The lack of proper communication and coordination can result in negative unintended consequences for schools and airports, risking the safety and operations of all involved. Under current law, when a new school is planned within the airport traffic pattern airspace boundary, the school has no requirement to communicate their plans to the airport. This has resulted in the construction of a high-profile structure that has led to a reduction in airport's airspace and FAA fines incurred by the school. Although the construction occurred within the letter of the law, better communication and coordination amongst the school officials and the airport would have yielded a better result for all parties. Because school buildings are currently exempt from zoning requirements, adequate planning can be challenging. However minor changes thoughtfully planned can provide a lasting solution to this occasional but serious concern while protecting everyone's best interests.

B. Purpose and Effect of Resolution

The League of Cities and Towns has an important role in the legislative stakeholder process, where airports, City officials, school district and charter school representatives, and business community members can develop comprehensive legislation to protect public safety and lower our airports exposure to encroachment, possible air space loss and noise abatement concerns. Reaching and adopting compromise legislation that promotes better communication and coordination for school buildings near airports and/or restricts such construction/relocation in pertinent areas, is imperative to ensure that public safety and the airports' economic benefits are protected.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities or towns. Failure to enact these protections could lead to constraints on airspace and substantial negative fiscal impacts.

D. Fiscal Impact to the State

There is no anticipated fiscal impact on the state General Fund associated with this legislation.

E. Contact Information

Sponsoring City/Town: City of Mesa

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Chair’s Report of the Public Safety, Military Affairs, and the Courts Policy Committee

Mayor Jerry Weiers, Chair

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

On **May 15, 2018**, the Public Safety, Military Affairs, and the Courts Policy Committee (PSMAC) convened to discuss one policy issues submitted by a committee member for consideration. Below is a summary of the policy issue considered by PSMAC:

1. Advocate for a city or League representative to be appointed to the State Liquor Board.
Glendale (Policy Issue 1)

Below is a summary of the committee discussion and the recommendations:

The City of Glendale submitted **Policy Issue 1** for consideration at the May 15 meeting. In preparation for that meeting League staff summarized the existing statutes that govern the State Liquor Board (Board) including designated qualifications for several of the seats as well as the current members of the Board and their roles. At the meeting, the committee discussed various instances where the Board disregarded a recommendation for disapproval from the local governing body as well as other actions that the Board has taken that reflected a lack of awareness or concern for local input. The committee agreed that the League should pursue any and all avenues for improving the relationship between cities/towns and the Board, up to and including having a city/town elected official or staff member, or a League representative, appointed to the Board.

The table below summarizes the NSQL Committee’s actions:

Policy Issue	Disposition by Committee
1 League Representation on Liquor Board	Resolution PSMAC 1

Jerry Weiers,
Mayor of Glendale
Chair, Public Safety, Military Affairs, and the Courts Policy Committee

League of Arizona Cities & Towns Resolution

Pursue all avenues for improving relations between cities/towns and the State Liquor Board, including having a city/Town official or staff member, or a League representative, appointed to the Board

A. Purpose and Effect of Resolution

In Arizona, the State Liquor Board (Board) has the ultimate authority to approve or deny liquor license applications. Although city and town councils make recommendations on the applications, the recommendations are non-binding and the Board can choose to override the local government's recommendation.

State statute currently includes specific criteria for three of the seven seats on the State Liquor Board, two liquor industry representatives and one representative from a neighborhood association. State statute could be amended to specify that one of the remaining four seats be designated for either a member of a city or town council, a city or town employee, or a representative from the League.

B. Relevance to Municipal Policy

Having a designated local government representative on the State Liquor Board will help to ensure that feedback from residents and the city or town council is properly considered and understood. It will also give the other members of the State Liquor Board the opportunity to hear a municipal perspective. Just as the industry has a designated seat at the table, the Board should also include someone representing the cities and towns where the licensees will be operating.

C. Fiscal Impact to Cities and Towns

There is no anticipated fiscal impact to cities and towns.

D. Fiscal Impact to the State

There is no anticipated fiscal impact to the state General Fund.

E. Contact Information

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Chair’s Report of the Transportation, Infrastructure and Public Works Policy Committee

Mayor Bob Rivera, Thatcher

Resolutions Committee Meeting, League Annual Conference

On **July 11, 2018**, the Transportation, Infrastructure and Public Works committee (TIPW) convened to discuss one policy issue submitted by the City of Casa Grande. Below is a summary of the issue considered:

1. I-10 widening project. **Casa Grande (Policy Issue 1)**

Craig McFarland, mayor, City of Casa Grande, submitted **Policy Issue 1** that would request the Arizona Department of Transportation (ADOT) add the I-10 Chandler-Casa Grande section widening project to the State’s five-year transportation plan to begin the planning, design and construction phases of the project. Mayor McFarland explained the intent is also to request the League support the project moving forward and assist with the formation of a coalition consisting of government and private stakeholders to work with ADOT and the Gila River Indian Community (GRIC).

Christian Price, mayor, City of Maricopa, explained the current barriers to the project moving forward include the pending agreement with the GRIC on acquiring right of way for one additional east and westbound lane and the availability of funding for the project. Mayor Price also explained that ADOT and the State Transportation Board cannot add the project to the five-year plan without funding.

Bob Rivera, mayor, Town of Thatcher, provided support for the project and explained this corridor of I-10 is important to focus on due to the amount of travel and freight from southern Arizona and Mexico.

After discussion of the issue, the committee determined that it will not move forward as a resolution since it is not a state legislative matter. The committee instead voted unanimously to request the League gather further data on the project and work with ADOT and other stakeholders to assist in moving the project forward. The committee voted to permit the League to work with ADOT and GRIC on this issue.

The table below summarizes the BFED Committee’s actions:

Policy Issue	Disposition by Committee
1 I-10 widening project	League staff assigned to work with ADOT and Gila River Indian Community to encourage prudence in planning, funding, and widening I-10

Bob Rivera
Mayor of Thatcher
Chair, Transportation, Infrastructure and Public Works

Report from the League Executive Director on Staff-Developed Resolutions

Ken Strobeck, Executive Director

Resolutions Committee Meeting, League Annual Conference
Tuesday, August 21, 2018

After the completion of the Policy Committee meetings, League staff met to determine whether there were policy issues that had not been proposed through the Policy Committee process. Staff believes the following proposed resolution should be considered by the Resolutions Committee at the Annual Conference.

1. Perform research on IRS tax law regarding the possibility for police and fire employees currently participating in PSPRS to irrevocably opt out of the Defined Benefit plan and into the Defined Contribution plan. Depending on the outcome of that research, the League could develop legislation for introduction in the 2019 Legislative Session that establishes this option. – **League Staff (Policy Issue 1)**

League Staff #1

League of Arizona Cities & Towns Resolution

Research and pursue potential legislative approaches during the 2019 Legislative Session to permit Tier 1 and Tier 2 members of the Public Safety Personnel Retirement System (PSPRS) to make an irrevocable election to join the PSPRS Defined Contribution Plan established by Laws 2016, Chapter 2.

A. Purpose and Effect of Resolution

Laws 2016, Chapter 2 (SB1428) established a Tier 3 of pension participation and benefits for PSPRS members hired on or after July 1, 2017. In addition to establishing Tier 3 for the Defined Benefit (DB) plan, legislation also established a Defined Contribution (DC) plan for new employees hired on or after July 1, 2017. Upon employment a new employee now has the option to participate in either the DB or DC plan and, absent an election, will default into the DB plan.

A DB plan is an annuity in which the employer inherits the investment risk of the plan and failure to meet assumed rates of return resulting in unfunded liabilities to the employer plan. A DC plan is similar to a 401(k) in that the investment risk is inherited by the employee and, upon retirement, the employee can withdraw funds in a lump sum or annuitize their benefits. There are no unfunded liabilities in a DC plan.

Tier 1 and 2 members must meet certain periods of service requirements between 15 and 20 years in order to become eligible for retirement benefits. However, many police and fire personnel are hired in Arizona as their second career following service in the military, service in police or fire employment in another state, or in other career paths. During the Pension Ad Hoc Committee established by the Arizona House of Representatives, the committee heard testimony from police and fire personnel indicating they wished they had the opportunity to join a DC plan and not be bound by the years of service requirement for Tiers 1 and 2.

Current liabilities in the PSPRS Fund, as of 06/30/2017, amount to \$15,578,700,116 with a total of 33,522 active, inactive, retired, disabled, and survivor members. Although liabilities vary by individual, the average per-member liability totals \$464,730. By permitting police and fire personnel to make an irrevocable election to join the PSPRS DC plan two outcomes will result: 1) for each member that joins the DC plan, the employer's plan liabilities will diminish and 2) it provides employees a voluntary election they do not currently have to participate in a plan that may more adequately suit their situation.

B. Relevance to Municipal Policy

Title 38, Chapter 5, Article 4 established PSPRS and its corresponding construct, including membership. Of the 233 separate employer plans in PSPRS, 122 of the plans are municipal police and fire plans. Potential alleviation of employer liabilities by permitting Tier 1 and 2 employees to join the DC plan would permit municipalities to utilize those funds in a different way.

C. Fiscal Impact to Cities and Towns

While the fiscal impact is unknown because it is contingent upon each individual election, each individual transitioning from the DB to DC plan will save hundreds of thousands of dollars.

D. Fiscal Impact to the State

The State of Arizona has within its purview the Department of Public Safety (DPS) which has 1,059 employees and \$819,253,340 in unfunded liabilities. While there will be benefits to the state, the exact amount is unknown for the reasons listed above relating to cities and towns.

E. Contact Information

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