

AGENDA



4:30 P.M.

CITY COUNCIL MEETING

TUESDAY, JUNE 13, 2023

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. For additional information on pulling a Consent Item, please contact the City Clerk's Office staff, preferably in advance of the Call to Order. 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

THE MEETING CAN BE VIEWED LIVE ON THE CITY'S WEBSITE AT WWW.SEDONAAZ.GOV OR ON CABLE CHANNEL 4.

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.
- No disruptive behavior or profane language will be allowed.

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

2. ROLL CALL/MOMENT OF ART

3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT =

- Minutes - May 23, 2023 City Council Executive Session Meeting
- Minutes - May 23, 2023 City Council Regular Meeting.
- Minutes - May 24, 2023 City Council Special Meeting.
- AB 2947 Approval of a Resolution authorizing entering into a Purchase Agreement for the City of Sedona to purchase the property located at 1294 and 1406 State Route 179 (APN 401-25-002N and 401-25-002P) in Coconino County, City of Sedona, Arizona, for the sum up to \$1,700,000 plus closing costs.
- AB 2959 Approval of a lease agreement between the City of Sedona and Sedona Recycles, Inc. for the operation of a public recycling facility.
- AB 2958 Approval to lease purchase one vector truck in an amount not to exceed \$600,812.40, plus interest, from Arizona Wastewater Industries, Inc. via their Sourcewell Cooperative Contract and approval of a Resolution approving the form of the lease purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah and authorizing execution and delivery thereof.
- AB 2960 Approval of the renewal of the existing undercover license plates for undercover vehicles.

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

8. REGULAR BUSINESS





- AB 2956 **Presentation/discussion** by Arizona Public Service (APS) regarding their fire mitigation efforts and summer readiness program.
- AB 2942 **Discussion/presentation** by Kent Ellsworth, Executive Director of the Verde Valley Caregivers Coalition, to provide an update to the City Council on their activities, accomplishments, and general service provision to the community.
- AB 2946 **Discussion/possible action** on the approval of three (3) year service contracts with the Humane Society of Sedona, Sedona Community Center, Sedona Historical Society, Sedona Public Library, Sedona Recycles, and Verde Valley Caregivers Coalition for fiscal years 2024, 2025, and 2026.

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

- d. AB 2962 **Discussion/possible action** on the approval of a Professional Services Contract for design services for the ST-08, SR89a and Forest Road Roundabout with Kimley Horn, Inc. in the approximate amount of \$385,040. 
- e. AB 2952 **Discussion/possible action** regarding a request from the Chamber of Commerce and Tourism Bureau for a financial contribution of \$530,000 from the City of Sedona towards the operations of the Visitor Center for fiscal year 2024. 
- f. AB 2955 **Discussion/possible direction** regarding a process for the introduction of new city ordinances. 
- g. AB 2957 **Discussion/possible direction** regarding input from City Council on Northern Arizona Healthcare's plan to build a new medical facility in Flagstaff, AZ. 
- h. **Reports/discussion** regarding Council assignments
- i. **Discussion/possible action** regarding future meeting/agenda items.

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. c.

10. ADJOURNMENT

Posted: 06/08/23

By: DJ

JoAnne Cook, 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 materials 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.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Sedona makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Sedona City Council meetings are recorded and may be viewed on the City of Sedona website. If you permit your child to attend/participate in a televised City Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

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.

**Action Minutes
Special City Council Meeting
Sedona City Hall, Council Executive Chamber
102 Roadrunner Drive, Sedona, Arizona
Tuesday, May 23, 2023, 2:30 p.m.**

1. Call to Order

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

2. Roll Call

Council Present: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella, and Councilor Jessica Williamson. Fultz arrived at the meeting at 2:50 p.m.

Staff Present item: City Manager Karen Osburn, Deputy City Manager Joanne Keene, City Attorney Kurt Christianson, Deputy City Clerk Marcy Garner, and City Clerk JoAnne Cook.

3. Executive Session

Motion: Councilor Williamson moved to enter into Executive Session at 2:33 p.m. Seconded by Councilor Kinsella. Motion carried unanimously with six (6) in favor (Jablow, Ploog, Dunn, Furman, Kinsella, and Williamson) and zero (0) opposed.

Kurt Christianson gave the admonition.

- a. Discussion and consultation with the City Attorney for legal advice and to consider the City's position and instruct its attorneys regarding pending litigation, Jablow, et al., v. Evans, et al. This matter is brought in executive session pursuant to A.R.S. § 38-431.03(A)(3) & (4).**

Councilor Fultz arrived at the meeting at 2:50 p.m.

- b. Discussion and consultation for with the City Attorney for legal advice regarding the proposed Improper Vehicle Equipment ordinance. This matter is brought in executive session pursuant to A.R.S. § 38-431.03(A)(3).**
- c. Return to open session. Discussion/possible action regarding executive session items 3:44 p.m.**

Motion: Councilor Williamson moved to direct the City Attorney to move forward with the direction given in executive session. Seconded by Councilor Dunn. Motion carried unanimously with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, and Williamson) and zero (0) opposed.

4. Adjournment

Mayor Jablow adjourned the meeting at 3:44 p.m.

I certify that the above are the true and correct actions of the Special City Council Meeting held on May 23, 2023.

JoAnne Cook, CMC, City Clerk

Date

Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, May 23, 2023, 4:30 p.m.

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

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

Artist John Soderberg was honored during the Moment of Silence. Mayor Jablow advised that a Celebration of Life Ceremony will be held on Saturday, June 3rd at 1:00 p.m. at the Sedona Creative Life Center, and those interested in attending must RSVP to Rona at (928) 282-9300.

Council Present: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella, and Councilor Jessica Williamson.

Staff Present: City Manager Karen Osburn, Deputy City Manager Joanne Keene, City Attorney Kurt Christianson, Assistant City Manager/Director of Public Works Andy Dickey, Assistant City Attorney Doug Drury, Police Chief Stephanie Foley, Deputy Police Chief Ryan Kwitkin, Lieutenant Scott Martin, Lieutenant Karl Waak, Deputy City Clerk Marcy Garner, and City Clerk JoAnne Cook.

2. Roll Call

3. Consent Items

- a. Minutes - May 9, 2023 City Council Regular Meeting.
- b. Minutes - May 10, 2023 City Council Special Meeting.
- c. Approval of Memorial Day Proclamation, May 29, 2023.

Motion: Councilor Kinsella moved to approve the consent agenda. Seconded by Councilor Dunn. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

4. Appointments

- a. AB 2954 **Discussion/possible action** regarding the appointment of Corrie Cooperman to the Public Safety Personnel Retirement System (PSPRS) Local Board.

Motion: Councilor Williamson moved to appoint Corrie Cooperman to the Public Safety Personnel Retirement System (PSPRS) Board with a term beginning immediately and ending May 23, 2027, or until a successor is appointed, whichever is later. Seconded by Councilor Kinsella. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

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

Vice Mayor Ploog announced that the pool will be open on May 27th. To view the schedule

visit sedonaaz.gov/pool. Movies in the Park will begin on Friday, June 9th with movie showings every Friday through the month of June. Two sessions each of the following summer camps will be offered: Lego Camp, Missoula Children's Theatre, Soccer Camp, Arizona Science Center, Sacred Eagle Art Camp, Sedona Mountain Bike Academy, and Prana Beans Kids Yoga Camp. The 2nd Red Dirt Spring Concert Series held on May 12th had 425 people in attendance, and the final Spring concert will be on Friday, May 26th from 5:30-7:30 p.m. Councilor Kinsella encouraged all interested to volunteer at the Sedona Community Center's Meals on Wheels Program. Mayor Jablow said he and Vice Mayor Ploog attended the Sedona Red Rock High School scholarship event on Monday.

6. Public Forum – None.

7. Proclamations, Recognitions & Awards

a. Memorial Day, May 29, 2023.

Mayor Jablow presented the proclamation to Community Service Aid for the Police Department, Jack Ross. Jack invited all to attend the Memorial Day Ceremony on Monday, May 29th at 9:00 at the Sedona Military Service Park and thanked all for their support.

8. Regular Business

a. AB 2941 Discussion/presentation by Jennifer Brehler, Executive Director of the Humane Society of Sedona, to provide an update to the City Council on their activities, accomplishments, and general service provision to the community.

Presentation by Sedona Humane Society Executive Director, Jennifer Brehler.

Questions and comments from Council.

b. AB 2940 Discussion/presentation by Nate Meyers, Executive Director of the Sedona Heritage Museum, to provide an update to the City Council on their activities, accomplishments, and general service provision to the community.

Presentation by Sedona Heritage Museum Executive Director Nate Meyers.

Questions and comments from Council.

c. AB 2944 Presentation/discussion regarding Greater Sedona Recreation Collaborative's (GSRC) work towards improved management and mitigation of impacts of motorized recreational uses in and around Sedona.

Presentation by Andi Rogers, Mark Loseth, and Jessica Archibalod of Southwest Decision Resources.

Presentation of the GSRC Action Team Efforts by Policy and Legislation Team Lead, Stephanie Giesbrecht, Communications and Education Team Lead, Cliff Hamilton, Data Gathering and Monitoring Team Lead, Carl Jackson, Environmental Conservation and Restoration Team Lead, Annie Glickstein, Mark Loseth spoke on behalf of Sustainable Funding Team, Matt Eberhart.

Questions and comments from Council.

Opened to public at 6:38 p.m.

Guy Lamunyan, Sedona, spoke regarding the research he completed on mufflers.

Brain Carstons, Sedona, spoke regarding the work Polaris has been doing regarding OHV mufflers and the efforts from Red Rock OHV Conservation Crew (RROCC).

Craig Swanson, Sedona, spoke in favor of the efforts of GSRC.

Mike Higbee, Munds Park, spoke regarding the lack of Coconino County governmental representation on the GSRC.

Chetan Kane, Sedona, spoke regarding the danger of horses encountering ATVs.

Brought back to Council at 6:49 p.m.

Break at 6:49 p.m. Reconvened at 7:07 p.m.

d. AB 2950 Discussion/direction regarding an Ordinance amending the Sedona City Code Title 10 (Vehicles and Traffic) by adding Chapter 10.30 (Improper Motor Vehicle Equipment).

Presentation by Kurt Christianson.

Questions and comments from Council.

Opened to public at 7:48 p.m.

The following spoke in favor of the ordinance: Carla Williams, Village of Oak Creek, Craig Swanson, Sedona, Carl Jackson, Sedona, Janet Johnson, Yavapai County, spoke on behalf of Jim Kapsales, Guy Lamunyan, Sedona, Sandra Beck, Sedona, Richard Kepple, Sedona, Mark TenBroek, Sedona.

The following spoke against the ordinance: Allyson Stevenson, Sedona, Andrew Rippy, Sedona, Taylor Joy, Sedona, Brain Carstens, Sedona, Michael Higbee, Muds Park, Kayla Watson, Sedona, Dan Candler, Sedona, James Custer, Flagstaff, Shaeri Richards, Sedona, Marcos Valenzuela, Sedona, Savannah Hariess, Rimrock, Dave Swartwout, Sedona, Kate Joy, Sedona, Lori Stewart, Sedona, Jonathan Taylor, Sedona, Nena Barlow, Sedona.

Shaeri Richards, Sedona, spoke in favor of the work of the GSRC and voiced concerns over the lack of space at Broken Arrow 'Trailhead for trailers.

John Martinez, Sedona, voiced concerns of the impact of OHVs on forest lands.

Brought back to Council at 8:35 p.m.

e. AB 2861 Discussion/possible direction/action regarding proposed State legislation, short-term rental legislation and State budget and their potential impact on the City of Sedona.

Presentation by Joanne Keene.

Questions and comments from Council.

9. Reports/discussion regarding Council assignments – None.

f. Discussion regarding ideas for future meeting/agenda items – None.

10. 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.

11. Adjournment

Mayor Jablow adjourned the meeting at 9:11 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on May 23, 2023.

JoAnne Cook, CMC, City Clerk

Date

**Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall
102 Roadrunner Drive, Sedona, Arizona
Wednesday, May 24, 2023, 3:00 p.m.**

1. Call to Order

Mayor Jablow called the meeting to order at 3:00 p.m.

2. Roll Call

Roll Call: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella, Councilor Jessica Williamson.

Staff in attendance: City Manager Karen Osburn, Deputy City Manager Joanne Keene, Assistant City Manager/Director of Public Works Andy Dickey, City Attorney Kurt Christianson, Chief Stephanie Foley, Deputy Chief Ryan Kwitkin, Lieutenant Karl Waak, Lieutenant Scott Martin, Detective Jesus Evangelista, Sergeant Michael Dominguez, Communications Supervisor Erin Loeffler, Engineering Supervisor Kurt Harris, City Clerk JoAnne Cook, Deputy City Clerk Marcy Garner.

3. Special Business

- a. **AB 2932** Presentation/discussion regarding the Sedona Evacuation and Re-Entry Plan and approval of a Resolution entering into an intergovernmental agreement (IGA) between the City and Coconino County for the acceptance of \$83,247 in grant funds to fund a portion of the plan.

Presentation by Ashleigh Makuch, Consultant, Emergency Management Partners, Wes Dison Coconino County Emergency Management Partners. Michael Blankenship, Principal Greenlight Traffic Engineering, Scott Kelley, Co-Principal, Green Light Traffic Engineering, joined via Teams.

Open to public comment at 4:14 pm.

Jen Farnsworth, Sedona, spoke regarding this item.

Brought back to council at 4:16 pm.

Motion: Vice Mayor Ploog moved to approve Resolution No. 2023-16, approval of a Resolution entering into an intergovernmental agreement (IGA) between the City and Coconino County for the acceptance of \$83,247 in grant funds to fund a portion of the plan. Seconded by Councilor Kinsella. Vote: Motion passed with Seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Kinsella, Williamson, Furman) and Zero (0) opposed.

- b. Discussion/possible action regarding future meetings/agenda items.

4. 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.

None.

5. Adjournment

Mayor Jablow adjourned the meeting at 5:44 p.m.

I certify that the above are the true and correct actions of the Special City Council Meeting held on May 24, 2023.

Marcy Garner, Deputy City Clerk

Date



**CITY COUNCIL
AGENDA BILL**

**AB 2947
June 13, 2023
Consent Items**

Agenda Item: 3d

Proposed Action & Subject: Approval of a Resolution authorizing entering into a Purchase Agreement for the City of Sedona to purchase the property located at 1294 and 1406 State Route 179 (APN 401-25-002N and 401-25-002P) in Coconino County, City of Sedona, Arizona, for the sum up to \$1,700,000 plus closing costs.

Department City Manager

Time to Present N/A

Total Time for Item

Other Council Meetings N/A

Exhibits
A. Resolution
B. Real Estate Purchase and Sale Agreement

City Attorney Approval	Reviewed 06/05/23 KWC	Expenditure Required		
		\$	\$1,700,000	
City Manager's Recommendation	Approve the Purchase and Sale Agreement for the property located at 1294 and 1406 State Route 179 (APN 401-25-002N and 401-25-002P) in Coconino County, the City of Sedona, Arizona, for the sum up to \$1,700,000.	Amount Budgeted		
		\$	0	
		Account No. (Description)	52-5630-89-68F9 (PT-04b North SR179 Park and Ride)	
		Finance Approval	<input checked="" type="checkbox"/>	

SUMMARY STATEMENT

Background: The properties located at 1294 and 1406 State Route 179 (APN 401-25-002N &P) located within Coconino County, Arizona, have been identified by the City of Sedona as having prospective use for public purpose.

The City has the legal authority to acquire property for public purposes in accordance with Arizona Revised Statutes A.R.S. § 9-241.

The total acreage of the two parcels is approximately 1.95 acres, and the property is currently being leased by the City of Sedona as a park and ride for the Sedona Shuttle. The property is currently zoned Community Facilities, with rezoning occurring earlier this year. The City of Sedona has been in negotiations with the owner of the property and has reached terms. An appraisal was conducted on the property, as well as a Phase I environmental study. The

purchase price of \$1,700,000, which is also the appraised value, has been agreed upon, along with a closing date of June 30, 2023.

Budget:

This acquisition was anticipated to be completed next fiscal year (FY24). The acquisition is proposed to occur in FY23, as adequate budget capacity is available in the capital improvement accounts (proposed SIM-03a Uptown Parking Garage with \$4.6M available) to cover the cost of the land acquisition.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: approve Resolution 2023-__ authorizing the Purchase and Sale Agreement for the City of Sedona to purchase the property located at 1294 and 1406 State Route 179 (APN 401-25-002N and 401-25-002P) in Coconino County, the City of Sedona, Arizona, for the sum up to \$1,700,000 plus closing costs.

RESOLUTION NO. 2023-

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE PURCHASE CONTRACT FOR THE PURCHASE OF REAL PROPERTY FOR PUBLIC PURPOSE USE.

WHEREAS; the City has the legal authority to acquire property in accordance with A.R.S. § 9-241, and the City Council and City Manager have determined that the public benefit will be served by acquiring these parcels; and

WHEREAS, the City Council has determined that the property located at 1294 and 1406 State Route 179 (APN 401-25-002N and 401-25-002P) within Coconino County, Arizona (Subject Parcels) has viable uses for public purpose; and

WHEREAS, the City has negotiated with the owner of the Subject Parcels and arrived at a mutually agreeable purchase price of up to \$1,700,000.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA, that:

Section 1. The City of Sedona, through its Mayor and Council, hereby approves the purchase of the Subject Parcels and authorizes and directs the Mayor to execute the Real Estate Purchase and Sale Agreement on behalf of the City of Sedona.

Section 2. That the Mayor and City Manager are authorized to approve and execute such other documents on behalf of the City of Sedona, Arizona necessary for the completion of the transactions.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this 23rd day of May, 2023.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

REAL ESTATE PURCHASE AND SALE AGREEMENT

SELLER: Church of the Red Rocks, an Arizona nonprofit corporation

BUYER: City of Sedona, an Arizona municipal Corporation

ESCROW AGENCY: Empire Title Agency
Gina Miller, Sr. Escrow Officer
3000 West State Route 89A, #200
Sedona, Arizona 86336
(928) 282-0280

PROPERTY: 1294 & 1406 STATE ROUTE 179, Sedona, AZ 86336
Coconino County APN 401-25-002N and APN 401-25-002P
Legal Description: please see **Exhibit "A"**

This Real Estate Purchase and Sale Agreement ("Agreement") is made and entered into by and between the **City of Sedona**, an Arizona municipal corporation ("Buyer") and **Church of the Red Rocks** (the "Seller"), upon the "Effective Date" defined below.

RECITALS:

Whereas, Seller is the owner of a parcel of real property consisting of approximately 1.95 acres and being generally located at 1294 and 1406 State Route 179 in the City of Sedona, Arizona, Coconino County Assessor's Parcel No. 401-25-002N and 401-25-002P, legally described on **Exhibit "A"** Legal Description, attached hereto and incorporated herein by this reference, and all hereditaments, appurtenances, rights, permits, licenses, easements, and rights-of-way incident and appurtenant thereto are herein collectively referred to as the "Property"; and

Whereas, Buyer desires to purchase the Property; and

Whereas, Seller desires to sell the Property to Buyer and Buyer agrees to purchase the Property in accordance with the terms and conditions set forth herein for a public purpose.

AGREEMENT:

Now, therefore in consideration of the mutual terms and conditions set forth herein, the parties agree as follows:

1. Incorporation of Recitals. The parties agree the Recitals set forth above are accurate and are hereby incorporated as part of this Agreement.

2. **Sale of Property.** Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller upon the terms and conditions set forth herein.

3. **Purchase Price.** The Purchase Price for the Property shall be \$1,700,000 to be paid in full upon the Close of Escrow.

4. **Escrow Agent and Title Policies.**

(a) Buyer and Seller agree to employ Empire Title Agency as the Escrow Agent to handle the Escrow.

(b) Seller agrees to purchase a standard owner's title policy for the Property in the Escrow Agent's standard form and to pay the cost to record the Warranty Deed in favor of Buyer in the form of Exhibit "B" Warranty Deed. Buyer shall pay for any extended form of title insurance coverage as determined and requested by Buyer.

(c) Immediately following the Effective Date, Seller shall instruct the Escrow Agent to deliver to Buyer, at Buyer's expense, if any: (i) a preliminary title report for a standard coverage owner's policy of title insurance for the Property setting forth the current status of title ("Title Report"); (ii) copies of all items appearing as exceptions to the title insurance coverage; and (iii) an estimate of the additional charges required by Escrow Agent to upgrade the title insurance coverage in an extended form.

(d) Termination Right. Buyer may, by written notice to the other, terminate this Offer: (1) if Buyer reasonably objects to matters affecting title as revealed by a recent title commitment, and Seller is unable or unwilling to cause the title company to remove valid objections to title prior to Closing; or (2) if the Property is damaged beyond its current condition prior to Closing.

(e) Seller agrees Buyer shall be entitled to object to any matters disclosed by the Title Report, by delivering written notice of objection (a "Title Objection Notice") to Seller and Escrow Agent no later than ten (10) days from Buyer's receipt of the Title Report. Any Title Objection Notice delivered by Buyer shall specify in reasonable detail any matter to which Buyer objects (the "Title Objection(s)"). If Escrow Agent subsequently issues any amendment to the Title Report disclosing any additional title matters, changes in the legal description, or additional requirements of Buyer, or if any revision to a survey procured by Buyer discloses any additional matter(s) affecting the Property, then Buyer shall be entitled to object to any such newly discovered matter by delivering a Title Objection Notice to Seller and Escrow Agent on or before ten (10) business days after Escrow Agent has delivered to Buyer the amendment to the Title Report and any Schedule B items, if applicable (or Buyer has received the revision to a survey). If Buyer fails to deliver a Title Objection Notice objecting to any matter set forth in the Title Report or any survey (or any subsequent amendment thereto) within the time period required under this Section 4(d), Buyer shall be deemed to have approved the

matter as of the last day of that time period. All matters to which Buyer has not objected to are referred to in this Agreement as the "Permitted Exceptions."

(f) If Buyer timely delivers a Title Objection Notice, then Seller shall notify Buyer on or before the date that is ten (10) days after Seller's receipt of the Title Objection Notice that either (i) the Title Objection(s) have been removed from the Title Report by Escrow Agent such that the Title Objection(s) no longer affects or encumbers the Property or any portion thereof, and in such event, the Closing shall go forward as provided for in this Agreement, or (ii) Seller irrevocably commits prior to Closing to cause Escrow Agent to remove objectionable items from the Title Report such that the Title Objection(s) no longer affect or encumber the Property or any portion thereof, and in such event, the Closing shall go forward as provided for in this Agreement, or (iii) Seller is unable or unwilling to have the Title Objection(s) removed. If Seller fails to provide such notice to Buyer within the time period required under this Section 4(e), it shall be deemed that Seller is unwilling to cure the Title Objection(s). If Seller timely notifies Buyer (or fails to notify Buyer within the time period) that it is unable or unwilling to have the Title Objection(s) removed or is otherwise unable or unwilling to cure the Title Objection(s) to Buyer's satisfaction, then Buyer, by delivering written notice to Seller no later than five (5) days following Seller's notice to Buyer and Escrow Agent (or the date set as the deadline for Seller to deliver such notice to Buyer and Escrow Agent) in accordance with this Section 4(e), may elect either: (A) as Buyer's sole remedy hereunder, to terminate this Agreement and receive the entire sums deposited with the Escrow Agent (and any interest earned thereon) and thereafter the parties shall have no further rights or obligations under this Agreement except those rights which specifically survive termination; or (B) waive such objections and take title as it then is (subject to, and the Closing is expressly conditioned upon, removal of any other Title Objection(s) that Seller has agreed to cause to be removed from the Title Report and/or cured as provided hereinabove), in which event all title Objection(s) not removed from the Title Report and cured as provided above will thenceforth be deemed Permitted Exceptions; and this Agreement shall remain in full force and effect. The failure by Buyer to timely elect either clause (A) or (B) above shall be deemed Buyer's election to proceed with clause (A) above.

(g) Notwithstanding anything to the contrary contained in this Agreement, at or before the Close of Escrow, and without the need for Buyer to object to same in its Title Objection Notice, Seller shall remove all financing encumbrances; mechanics', materialmen's and supplier's liens; judgment liens; federal or state income or sales tax liens; and lis pendens on the Property without cost to Buyer. Seller may not allow additional liens or encumbrances to be placed upon the Property after the Effective Date. The Purchase Price proceeds shall first be applied by Escrow Agent to pay off any and all financing encumbrances or any of the foregoing liens before any remaining Purchase Price proceeds are released to Seller on the Closing.

(h) Buyer's obligation to purchase the Property, to pay the Purchase Price therefore, and otherwise to close the Escrow is subject to Title Insurer being unconditionally committed to issue at the Close of Escrow to Buyer, as the insured, a

standard owner's title policy and any requested extended coverage owner's policy of title insurance for the Property (with no exception for mechanics' liens or similar encumbrances) in the amount of the Purchase Price, subject to only the Permitted Exceptions with such title endorsements as Buyer shall require (the "Title Policy"). Seller and Buyer shall each execute, acknowledge (if applicable), and/or deliver to Escrow Agent prior to the date of the Closing, any documents pertaining to Seller or Buyer, as applicable, or matters relating to the Property required by Escrow Agent as a condition to the issuance of the Title Policy.

(i) Buyer and Seller each agree to pay on, or before, the Close of Escrow to the Escrow Agent one-half (1/2) of the standard closing costs and escrow fees for a residential real estate transaction as determined by the Escrow Agent. Buyer and Seller shall timely execute or provide any documentation required by the Escrow Agent to close the sale and purchase of the Property.

(j) This Agreement may be supplemented by the printed Escrow Instructions to which it is attached and shall be construed together with the Escrow Instructions as a single document; in the event of any inconsistency between any provision in this Agreement and any provision in the Escrow Instructions, the provision in this Agreement shall prevail. Upon the execution of the Escrow Instructions and this Agreement by Seller and Buyer, the same shall constitute a binding contract between Seller and Buyer for the purchase and sale of the Property.

5. Survey, Engineering, Inspection and Due Diligence. Upon the execution of this Agreement, Seller shall deliver to Buyer copies of any survey and title information described, any environmental studies or reports, and any engineering plans and related reports or studies, and all service contracts and agreements in Seller's possession relative to the Property. Seller agrees that prior to the Closing, Buyer may conduct and complete any additional appraisals, inspections or tests of the Property and conduct any other due diligence of the Property, without limitation, which Buyer determines is necessary for Buyer's intended use of the Property for public/industrial/commercial development (the "Inspection Period"). Buyer agrees to pay for any additional appraisals, inspections, tests and due diligence of the Property Buyer desires to procure in its discretion. Buyer shall be responsible to restore the Property to its original condition upon the completion of any additional appraisals, inspection, test, or other due diligence of the Property. If during the Inspection Period, Buyer determines in its sole discretion that any appraisal, survey, inspection, test, or other due diligence of the Property is unacceptable for Buyer's intended use, Buyer may, upon written notice to Seller and the Escrow Agent, terminate this Agreement, but subject to the right to Seller's equal contribution for the payment of any surveys, engineering or related work previously agreed to by the parties completed as of such date as to the Property.

6. Close of Escrow. Buyer and Seller agree to a closing date no later than **30 days** after the Effective Date of this Agreement (the "Closing" or "Close of Escrow"). Buyer's obligations to consummate the purchase of the Property pursuant to this Agreement are subject to and conditioned upon the satisfaction of the conditions

precedent listed herein. Unless Purchaser shall advise Seller in writing that same are not satisfied at or prior to Closing, the conditions precedent shall be deemed fully satisfied.

7. Seller's Representations. Seller represents the following to Buyer:

(a) Seller has not received notice of any pending condemnation or similar proceeding affecting the Property, or any portion thereof, and Seller, to the best of its knowledge, is not aware of any threatened condemnation or similar proceedings affecting the Property, or any portion thereof, other than from Buyer.

(b) To the best of Seller's actual knowledge, the Property is not in violation, nor has it been or is it currently under investigation for a violation of any federal, state or local law, ordinance or regulation including, without limitation, any relating to environmental conditions, in, at, on, under or about the Property including, but not limited to, soil and ground water conditions and that neither Seller nor, to the best of Seller's actual knowledge, any third party has used, generated, manufactured stored or disposed in, at, on, under or about the Property or transported to or from the Property any hazardous waste, toxic substances or related materials except in accordance with applicable law; and, to the best of Seller's actual knowledge, there is not now nor has there even been on or in the Property underground storage tanks or surface impoundments, any asbestos-containing materials or any polychlorinated biphenyls used in hydraulic oils, electric transformers or other equipment.

(c) Seller is the owner of insurable fee simple title to the Property, which shall be free and clear of all encumbrances, occupancies or restrictions. There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy pending against Seller.

(d) Seller has not previously taken any action and will not take any action, which would cause any lien or claim of lien to be made against the Property under the mechanics' and materialman's lien laws of the State of Arizona.

(e) Seller has not received any notifications from any governmental authority having jurisdiction over the Property requiring any work to be done on the Property or alleging any violation of law with respect to the Property.

(f) Seller has no actual knowledge of any claims, administrative actions or lawsuits pending or threatened against the Property, other than from the Buyer.

(g) Seller has no actual knowledge of any parties in adverse possession of the Property or of any prescriptive rights or unrecorded easements upon or across the Property, or any portion thereof.

(h) Seller is not aware of any agreements or leases relating to the Property other than the City's lease and option to purchase.

(i) Seller represents that to the best of its actual knowledge, any documents, information and records provided by Seller to Buyer in connection with the transaction contemplated herein contain true and accurate information.

(j) Seller has full authority to execute this Agreement and sell the Property. Seller is not required to obtain the approval or consent of any other person or entity to execute this Agreement or to perform Seller's obligations under this Agreement.

(k) The persons executing this Agreement for and on behalf of Seller represent that they have the requisite authority to bind the Seller on whose behalf they are signing.

8. Buyer's Representations. Buyer represents the following to Seller:

(a) Buyer has full authority to execute this Agreement.

(b) Buyer is not aware of any adverse actions against Buyer that would limit or impair Buyer's right to perform its obligations under this Agreement or upon the Close of Escrow.

9. Survival of Representations. The representations of Seller and Buyer as set forth in Sections 7 and 8 shall survive the Close of Escrow and shall not merge with the Warranty Deed.

10. Real Estate Brokerage. Buyer affirms that it has not contracted with, retained or otherwise employed a real estate broker relative to this Agreement. Buyer and Seller agree if any real estate broker asserts or claims the payment of a real estate commission or fees relative to this Agreement the party who contracted with such broker shall be responsible for the payment of such commission or fees and shall forever defend, indemnify and hold harmless the other party from such claim.

11. Title. Seller agrees to transfer the title or easement to the Property to Buyer upon the Close of Escrow in a form substantially similar to that in Exhibit "B", without any exceptions or encumbrances, subject only to the usual printed exceptions and exclusions contained in such title insurance policies, to the matters shown on the Title Report or any Amended Title Report approved in writing or waived by Buyer.

12. Taxes and Assessments. All real and personal property taxes and any assessments against the Property accruing prior to the Close of Escrow shall remain the responsibility of the Seller.

13. Closing Documents.

(a) Seller's Closing Documents. By the Close of Escrow, Seller shall deposit with the Escrow Agent the following documents for delivery to Buyer at the Close of Escrow, each of which shall have been duly executed and, where appropriate, acknowledged:

- i. Warranty Deeds, APN 401-25-002N and APN 401-25-002P, substantially in the form attached in Exhibit "B";
- iii. The standard owner's title policy required;
- iv. The Non-Foreign Affidavit as required;
- v. Such other documents as may be necessary or appropriate to transfer and convey the Property to Buyer and to otherwise consummate this transaction in accordance with the terms of this Agreement.

(b) **Buyer's Closing Documents.** On, or before, the Close of Escrow, Buyer shall deposit with the Escrow Agent the following documents for delivery to Seller at the Close of Escrow, each of which shall have been duly executed and, where appropriate, acknowledged:

- i. The Non-Foreign Affidavit as required;
- ii. Appropriate evidence of due authorization and proper formation of Buyer;
- iii. Such additional extended coverage and endorsements as requested by Buyer, at Buyer's expense; and
- iv. Such documents and monies as may be necessary or appropriate to transfer and convey the Property to Buyer and to otherwise consummate this transaction in accordance with the terms of this Agreement.

14. Possession; No Assumption of Seller's Liabilities. Upon Close of Escrow, Seller shall deliver possession of the Property to Buyer. Buyer is acquiring only the Property from Seller and is not the successor of Seller. Buyer does not assume, agree to pay, or indemnify Seller or any other person against any liability, obligation, or expense of Seller.

15. Seller's Default. In the event Seller fails to perform upon the Close of Escrow, and if Buyer is not otherwise in default under any term or provision of this Agreement, Buyer may elect to proceed with any remedy available to Buyer under Arizona law, including, but not limited to an action for specific performance.

16. Buyer's Default. In the event Buyer fails to perform upon the Close of Escrow, and if Seller is not otherwise in default under any term or provision of this Agreement, Seller may elect to proceed with any remedy available to Seller under Arizona law, including, but not limited to an action for specific performance.

17. Notices.

(a) Notices shall be in writing and shall be given by personal or air courier service delivery to a responsible person, by telephone facsimile, by email, or by deposit in the United States mail, certified mail, return receipt requested, postage prepaid.

Notices shall be delivered or addressed to Seller and Buyer at the following or at such other address as a party may designate to the other in writing:

Seller:

Church of the Red Rocks
54 BOWSTRING DR
SEDONA, AZ 86336

Buyer:

City of Sedona
c/o City Attorney
102 Roadrunner Dr.
Sedona, Arizona 86336

With a copy to:

Gina Miller
Sr Escrow Officer
Empire Title Agency
3000 West State Route 89A, #200
Sedona, Arizona 86336

The date notice is deemed to have been given, received and become effective shall be the date on which the notice is delivered, if notice is given by personal or air courier service delivery or by telephone facsimile, or two (2) days following the date of deposit in the mail, if the notice is sent through the United States mail; and

(b) Copies of all notices shall also be given to Escrow Agent by regular mail.

19. Further Documentation. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

20. Governing Law. Seller and Buyer agree this Agreement shall be interpreted under the laws of the State of Arizona and not elsewhere.

21. Attorney's Fees. If either party commences an action to enforce any term or condition of this Agreement, the prevailing party to such action shall be entitled to recover a reasonable additional sum as and for its attorneys' fees and costs, said sum to be fixed by a court of competent jurisdiction.

22. Jurisdiction; Venue; Waiver of Jury Trial. Any action to enforce or interpret any provision of this Agreement shall be commenced and completed in the Superior Court of the State of Arizona in and for the County of Coconino and not

elsewhere. Each party specifically submits itself to the jurisdiction of said Court and waives any objection to venue. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.

23. Waiver. The waiver by any party hereto of any right granted to it hereunder shall not be deemed to be a waiver of any other right granted hereunder, nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

24. Effective Date. This Agreement shall be effective upon: (i) the signature date of both parties below, and (ii) approval of this Agreement by the City Council of the City of Sedona in its sole discretion by resolution specifically authorizing same (the "Effective Date").

25. Entire Agreement and Headings Non-binding. This document constitutes the entire agreement between the parties and may not be amended or otherwise modified except by the express written agreement of the parties. All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions hereof.

26. Drafts Not an Offer. The submission of a draft of this Agreement by one party to another is not intended by either party to be an offer to enter into a legally binding contract with respect to the purchase and sale of the Property. The parties will not be legally bound in any manner with respect to a purchase and sale of the Property unless and until each of Seller and Buyer have duly executed this Agreement and this Agreement is approved in writing as to form by the City Attorney.

27. Counterpart and Facsimile Signatures. This Agreement may be executed in any number of counterparts all of which shall be deemed to constitute one and the same instrument, and each of which shall be deemed an original hereof. Signatures transmitted by facsimile shall be deemed to be originals.

28. Binding on Heirs. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers.

SELLER:

Church of the Red Rocks

By: _____

Its: _____

Date: _____

BUYER:
City of Sedona

By: _____
Karen Osburn, City Manager

Date: _____

Attest:

JoAnne Cook, City Clerk

Approved as to form:

Kurt W. Christianson, City Attorney

EXHIBIT "A"
Legal Description of Property

PARCEL NO. 1 (APN 401-25-002P):

A tract of land in the Southwest quarter of the Southeast quarter of Section 18, Township 17 North, Range 6 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona, described as follows:

BEGINNING at the most Southerly corner of Lot 80, as said Lot is shown on the Map of Fairview Heights Plat Two and recorded in Case 1, Map 7, records of Coconino County, Arizona;

THENCE along the Southeasterly line of Lot 81 of said Fairview Heights Plat Two, South 27° 13' West, a distance of 75.0 feet, and along a curve to the right with a radius of 330.7 feet, a distance of 121.9 feet to the most Southerly corner of said Lot 81;

THENCE along the Northeasterly line of Lot 5 of Broken Arrow Heights, the map of which is recorded in Case 2, Map 150, records of Coconino County, Arizona, South 41° 38' 30" East, a distance of 150.0 feet to the Northerly line of Arrow Drive;

THENCE along said line of Arrow Drive and the Westerly line of right of way (right of way 66 feet wide) for State Highway 179, along a curve to the left with a radius of 480.7 feet, a distance of 177.3 feet, and North 27° 13' East, a distance of 75.0 feet;
THENCE North 62° 47' West, a distance of 150.0 feet to the POINT OF BEGINNING.

EXCEPT all that portion of said property conveyed to State of Arizona, by and through its Department of Transportation in Warranty Deed recorded February 15, 2007 as Document No. 2007-3425789 of Official Records of Coconino County, Arizona.

EXCEPT all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved in Patent from United States of America.

PARCEL NO. 2 (APN 401-25-002N):

A tract of land in the Southwest quarter of the Southeast quarter of Section 18, Township 17 North, Range 6 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona, described as follows:

BEGINNING at the most Southerly corner of Lot 80 as said lot is shown on the Map of Fairview Heights Plat Two and recorded in Case 1, Map 7, records of Coconino County, Arizona;

THENCE along the Southeasterly and Northeasterly lines of said Lot 80, North 27° 13' East, a distance of 220.7 feet, and North 39° 56' West, a distance of 77.5 feet to the Southeasterly line of Bowstring Drive;

THENCE along said line of Bowstring Drive, Northeasterly along a curve to the right with a radius of 617 feet, a distance of 272.7 feet to the Westerly line of State Highway 179 (Westerly line of right of way 66 feet wide);

THENCE Southwesterly along said highway line, along a curve to the right with a radius of 540.0 feet, as distance of 254.8 feet, and South 27° 13' West, a distance of 220.7 feet to a point that bears South 62° 47' East, from the POINT OF BEGINNING;

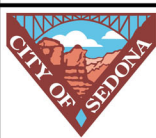
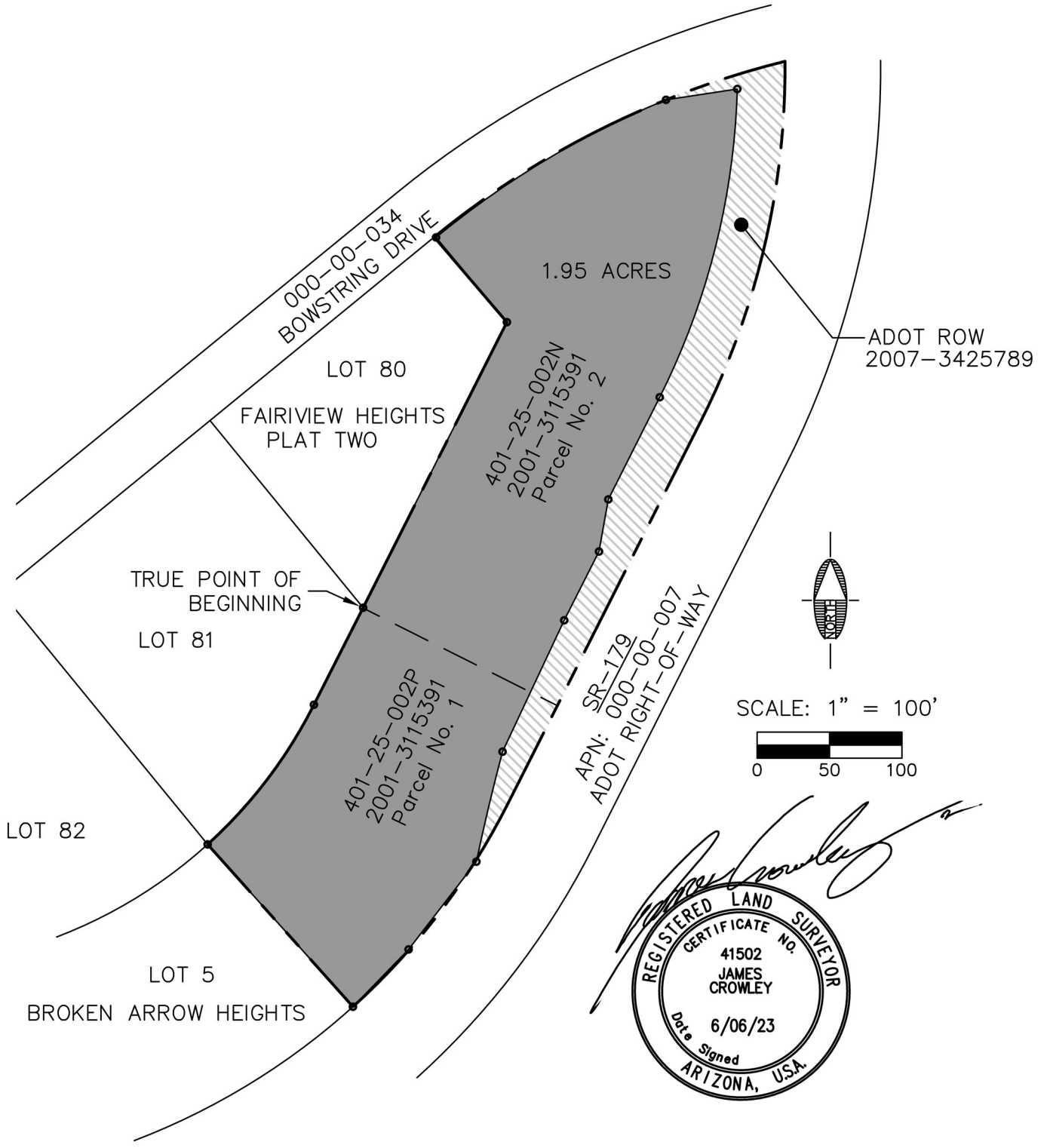
THENCE North 62° 46' West, a distance of 150.0 feet to the POINT OF BEGINNING.

EXCEPT all that portion of said property conveyed to State of Arizona, by and through its Department of Transportation in Warranty Deed recorded February 15, 2007 as Document No. 2007-3425789 of Official Records of Coconino County, Arizona.

EXCEPT all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved in Patent from United States of America.

PLOTTED: Jun 06, 2023-2:59pm

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION
 A PORTION OF PARCEL 1 AND PARCEL 2 AS RECORDED IN INSTRUMENT
 NUMBER 2001-3115391 OF THE COCONINO COUNTY RECORDER'S OFFICIAL
 RECORDS. LYING IN SECTION 18, TOWNSHIP 17 NORTH, RANGE 6 EAST, GILA
 AND SALT RIVER MERIDIAN, CITY OF SEDONA, COCONINO COUNTY, ARIZONA.



CITY OF SEDONA
 102 ROADRUNNER DRIVE
 SEDONA, ARIZONA 86336

JOB NO.	PT-04B
DATE	JUN23
SCALE	AS NOTED
DRAWN	RJC
DESIGN	N/A
CHECKED	RJC

BOWSTRING_PARK_RIDE

SEDONA
 COCONINO_COUNTY

EXHIBIT_TO_ACCOMPANY
 LEGAL_DESCRIPTION
 APN: 401-25-002N, _-002P

SHEET
 3
 OF 3

EXHIBIT "B"
Warranty Deed

WHEN RECORDED MAIL THIS
WARRANTY DEED TO:

City of Sedona
Office of the City Clerk
102 Roadrunner Drive
Sedona, Arizona 86326

Exempt Pursuant to A.R.S. §11-1134 (A)(3)

(Space Above for Recorder's Use)

Tax Parcel Number: 401-25-002N and 401-25-002P

WARRANTY DEED

Church of the Red Rocks ("Grantor"), an Arizona nonprofit corporation, for and in consideration of the Ten Dollars (\$10.00), in hand paid to Grantor by the City of Sedona, an Arizona municipal corporation ("Grantee"), and other good and valuable consideration, the receipt and sufficiency of such consideration Grantor acknowledges, by this deed assigns, bargains, conveys, grants, transfers and delivers to Grantee all that certain plot, parcel of land or real property situated in Coconino County, Arizona, and described on **Schedule "A"** attached to this deed and made a part of this deed for all purposes (the "Property") together with all the estate, right, title and interest to the Property.

SUBJECT ONLY TO: existing taxes, assessments, covenants, conditions, restrictions, rights of way, and easements of record.

GRANTOR hereby covenants with the Grantee that Grantor is lawfully seized in fee simple of the Property and has good right to sell and convey the same and binds itself and its heirs, successors, assigns, executors, and administrators to warrant and defend the title unto the Grantee against all acts of the Grantor and against all lawful claims whatsoever.

EXECUTED as of the _____ day of _____, 2023.

[Signatures on following page]

GRANTOR:

Church of the Red Rocks

By: _____

Its: _____

Date: _____

State of _____)

County of _____)

This instrument was acknowledged before me on this ____ day of _____, 2023, by
_____. In witness whereof I hereunto set my hand and official seal.

Notary Public

My commission expires: _____



**CITY COUNCIL
AGENDA BILL**

**AB 2959
June 13, 2023
Consent Items**

Agenda Item: 3e
Proposed Action & Subject: Approval of a lease agreement between the City of Sedona and Sedona Recycles, Inc. for the operation of a public recycling center.

Department	City Manager's Office
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	A. FY24-26 Lease Agreement B. FY21-23 Community Service Provider Agreement

City Attorney Approval	Reviewed 06/05/23 KWC	Expenditure Required	\$ N/A
City Manager's Recommendation	Approve the lease agreement for the use of city property for Sedona Recycle Center operations.	Amount Budgeted	\$ N/A
		Account No. (Description)	
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: On April 13, 2021, City Council approved a community service provider agreement with Sedona Recycles, Inc. for the period of July 1, 2021 through June 30, 2023 which in addition to containing the terms of the community service provider agreement, it also contained the lease terms for Sedona Recycles, Inc.'s use of the City's property located at 2280 Shelby Drive, Sedona, Yavapai County, Arizona, 86336 for the operation of a public recycling center.

The City and Sedona Recycles, Inc. desire to enter into a new lease agreement with lease terms and conditions separate from the community service provider agreement for the period of July 1, 2023 through June 30, 2026, with the option to extend the lease for one (1) additional period of three (3) years.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Sedona Recycles, Inc.'s operation of a public recycling center increases the diversion of waste from the landfill and reduces greenhouse gas emission associated with the consumption of goods and services.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): None

MOTION

I move to: approve the lease agreement between the City of Sedona and Sedona Recycles, Inc. for the operation of a public recycling center.

**LEASE AGREEMENT BETWEEN
THE CITY OF SEDONA AND
SEDONA RECYCLES, INC.**

This Lease Agreement, made and entered into this 13th day of June, 2023 by and between the City of Sedona (hereinafter called "Lessor" or "City") and Sedona Recycles, Inc. (hereinafter called "Lessee") supersedes and replaces any and all lease agreements or memoranda of understanding executed between these parties for the use of 2280 Shelby Drive, Sedona, Yavapai County, Arizona 86336 (hereinafter called "Premises") by Lessee as hereinafter described.

WHEREAS, Lessor is the owner of the Premises located at 2280 Shelby Drive, Sedona, Yavapai County, State of Arizona; and

WHEREAS, Lessee operates the Premises as a recycling center that is open to the public and serves the community's interests by diverting waste from the landfill and reducing greenhouse gas emissions associated with the consumption of goods and services; and

WHEREAS, the Lessor recognizes the value of the recycling center and efforts of the Lessee to provide recycling services to the community; and

NOW THEREFORE, Lessor does hereby demise and let unto Lessee, and Lessee does hereby rent and take from Lessor, the following rights, and privileges in connection with the Premises.

ARTICLE I -- USE OF THE PROPERTY

- A. In consideration of the timely performance of the services set forth in Article III herein, Lessee is authorized to share the use of the Premises and its facilities for the benefit of members of the public. These uses include, but are not limited to, the operation of a recycling center.
- B. Lessee acknowledges that Lessor has wastewater facilities located such that it will be necessary for Lessor to have vehicular access to maintain or repair said facilities, and further Lessee agrees to not place materials or facilities over manholes and to arrange materials so that Lessor has vehicular access to manholes from the Shelby Drive frontage.
- C. Inasmuch as the City of Sedona submitted to the State of Arizona Department of Environmental Quality on November 3, 2003, a Notice of Intent to be permitted under the terms of Arizona Pollutant Discharge Elimination System General Permit for Discharge AZG-2002-002, which prohibits non-stormwater discharges to storm drainage systems, except certain specified non-significant contributors, and further that Sedona City Code Section 9-2-2 (B) identifies littered exterior areas in or upon public places as a nuisance, Lessee shall inspect the drainage ways adjacent to and on the leased property for debris, trash and other material that may have come from its operations and remove and properly dispose of such material. The city requests that Lessee inspects the area at least once a week.

ARTICLE II -- TERM AND RENEWAL OPTION

- A. The term of this lease shall be for three (3) years, commencing on July 1, 2023 and continuing through June 30, 2026.
- B. Lessee shall have the option to extend the term of this lease, if not in default, for up to one (1) additional term of three (3) years. The Lessee shall request extensions by giving the Lessor written notice not less than ninety (90) days and not more than one hundred-twenty (120) days before the end of the current lease term.

ARTICLE III – SCOPE AND CONSIDERATION

- A. In consideration for Lessee’s services herein and as provided in the related Provider Agreements between the City and Lessee, Rent payments for Lessee’s use of the building and premises are hereby waived for the term of the lease. Lessee's use of the building and premises, together with the other benefits to Lessee hereunder, are strictly conditioned upon Lessee's full and timely performance of all obligations to the Lessor set forth as follows:
1. Lessee, a 501(c)(3) nonprofit corporation, shall operate and maintain a recycling center dedicated to: 1) enhancing the quality of life in Sedona and elsewhere through protection of the environment and preservation of natural resources by encouraging recycling of reusable materials and providing a venue for citizens to voluntarily drop off recyclable materials.
 2. Lessee shall provide public education on recycling.
 3. Lessee shall promote community opportunities to reduce, reuse, and recycle various types of materials.
 4. Lessee shall establish procedures that provide for public access to its recycling center and provide a copy of the procedure to the Lessor.
 5. Lessee shall keep the recycling center open to the public an average of 40 hours per week, excluding legal holidays recognized by the City. This requirement will be waived during a state of emergency or emergency declaration that prohibits or impedes Sedona Recycles, Inc. from opening for all or some of the required hours.
 6. The City may appoint a liaison to serve as a City representative to attend all General Membership and Board of Directors meetings held by the Lessee. Lessee shall notify the City liaison of all board of directors’ meetings. This liaison will serve as a non-voting attendee and may be a City staff member or City Councilor.
 7. Lessee agrees to provide the City with a copy of the Internal Revenue Service Form 990 within sixty (60) days of its filing.
 8. Lessee agrees to provide an annual written report of Lessee activities to the City by the end of the second quarter of each calendar year.
 9. Lessee agrees to include the City logo on all printed and electronic advertising materials or include a reference that the recycling center is located on a City of Sedona premises.
 10. Lessee agrees to notify the City of all grant applications that will cause a modification to the Premises or any of its facilities. Lessee will also provide the grant purpose and amount requested.

ARTICLE IV -- OPERATIONS AND MAINTENANCE

- A. Lessee shall pay for all utilities associated with the operation of the Premises. Utilities shall include, but are not limited to, gas or fuel oil, telephone, electric, Internet service, and cable television.
- B. Lessee agrees, at its sole cost, to keep the interior and exterior of the premises in a safe, neat, clean, and sanitary condition and to keep all buildings and interior improvements in good condition and repair at all times. The Lessor, in its sole discretion, shall have the right, but not the duty, to require the Lessee to remedy unsatisfactory Premises conditions at any time for reasons that endanger public safety.
- C. Lessee shall observe all applicable laws, rules, regulations, ordinances, and codes.
- D. The Lessor will be responsible for the maintenance and repair of the exterior of the buildings and the premises in general. Lessor will keep the land and grounds surrounding the premises in a safe, neat, clean condition and in compliance with the most current City of Sedona Parks and Recreation Maintenance Standards as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

ARTICLE V-- CONSTRUCTION

- A. Lessee shall submit to the Lessor plans and specifications for any construction, remodeling, repainting, or any other permanent or semi-permanent change to the premises prior to undertaking such project each and every time the Lessee plans to undertake any such change. The Lessor shall review the submittal and approve or disapprove such submittal. Any changes to the landscaping, exterior fixtures, or displays on the premises are subject to the same approval process.
- B. All improvements shall be constructed in full compliance with all applicable rules, regulations, codes, and laws and shall be consistent with the existing character of the building. No restrictions shall be placed upon Lessee as to the architects or contractors who may be employed by it in connection therewith, and they shall have free ingress to and from the premises.
- C. Lessee shall be responsible for all costs, including the cost of any and all permits required to perform the work, and the cost of any improvements or modifications that Lessee proposes.
- D. Any improvements that are permanently attached to the leased property or contained therein shall become the Lessor's property upon the termination of the lease.
- E. Prior to any fundraising efforts for capital improvements or new building facilities, a conceptual plan shall be submitted to the Lessor for approval. Lessee agrees to disclose any and all commitments Lessee has made or may make in the future concerning any structural alterations or additions within the Premises. It is further agreed that any such commitments shall be subject to approval from the Lessor. Lessee agrees to assume all liability for any agreement or commitment that has been or may be made without the approval of the Lessor and agrees to indemnify and hold the Lessor harmless for any such commitment. The Lessor retains the naming rights of any future facilities.

ARTICLE VI -- VANDALISM

In the case of exterior vandalism for the purpose of breaking into the building (doors/windows) the Lessee and Lessor will share costs with a 50/50 % split. General exterior vandalism, such as graffiti, will be the responsibility of the Lessor.

ARTICLE VII -- LESSEE EVENTS

- A. For all non-City, atypical premises uses over 50 attendees; a temporary use permit is required. An atypical use of the Premises includes, but is not limited to, private parties, fundraising events, etc. For recurring events, a temporary use permit covering the use for the term of this lease will be submitted for each event as long as the event closely matches the original application.
- B. Lessor will waive permit fees for Lessee to obtain temporary use permit(s).
- C. Event sponsor, whether the Lessor or Lessee, shall establish fees and be responsible for all costs that are above and beyond those described herein.
- D. Lessee may set a fee schedule for private events on the property, subject to review by the Lessor. Any agreements with organizations or users for private events involving a temporary use permit shall include provisions for necessary insurance riders, maintenance deposits, and conditions of use.

ARTICLE VIII -- CITY INSPECTION

- A. The Lessor, or his designee, shall during operating hours of the recycling center, have the right to enter upon and inspect the interior of the premises. The Lessor, or his designee, shall have the right at all times to enter upon and inspect the general premises.
- B. The Lessee is responsible for maintaining the building interiors in a manner reasonably satisfactory to the Lessor and should this not occur, the Lessor reserves the right, following written notification to the Lessee with an opportunity to correct the defects, to have the necessary repairs performed and

charged to the Lessee. The Lessee has the right to appeal the Lessor's decision(s) on maintenance to the City Council.

ARTICLE IX – LIABILITY AND INSURANCE

A. Liability

1. Lessee agrees to defend, save, and keep Lessor, its agents, employees, officers, agencies, and departments, harmless from any and all loss, expense, penalty, or liability resulting from active or passive negligence or wrongdoing of Lessee or any of its employees or agents.
2. Lessor agrees to defend, save, and keep Lessee, its agents, employees, officers, agencies, and departments, harmless from any and all loss, expense, penalty, or liability resulting from active or passive negligence or wrongdoing of Lessor or any of its employees or agents.
3. Lessor shall provide written notice of any changes to its liability requirements of Lessor.

B. Insurance

1. Lessee agrees to obtain and keep in force throughout the term of this lease: liability insurance with minimum limits not less than \$1,000,000 for any one injury, \$1,000,000 per any one accident and \$300,000 for property damage. Lessee shall furnish current certificates of insurance to Lessor that names the Lessor as an additional insured and obligating the insurer to provide the Lessor with thirty (30) days advanced written notice prior to termination of coverage.
2. Lessee shall maintain property insurance as necessary for items owned by the Lessee.

ARTICLE X -- LEASE NON-ASSIGNABLE

This lease shall not be sold, assigned, or pledged, nor the premises sublet, nor a sale or transfer of control, in whole or in part, without the written consent of Lessor.

ARTICLE XI -- SURRENDER OF POSSESSION

The Lessee covenants to surrender the premises and all permanent improvements at the expiration of the term, or sooner if otherwise provided herein, in as good condition as at commencement of the term of the lease, ordinary wear and tear excepted. The Lessee shall remove all of its personal property at the time of surrender or termination, or if the premises are abandoned by Lessee without removal of its personal property, the same shall be removed and stored by the Lessor for a period of one hundred eighty (180) days, and then may be sold to satisfy the costs to the Lessor. The Lessee shall return personal property on loan from private parties.

ARTICLE XII-- REGULATORY COMPLIANCE

Lessee shall be responsible for regulatory compliance of all improvements or modifications to the leased facilities necessary to Lessee's use and occupation. Lessor shall be responsible for regulatory compliance of all improvements or modifications to the premises necessary for use by the general public.

ARTICLE XIII -- DEFAULT OR CANCELLATION

A. No waiver of default by Lessor of any of the terms and conditions hereof to be performed, kept, and observed by Lessee, shall be construed to be, or act as a waiver of any subsequent default of any of the terms and conditions herein contained to be performed, kept, and observed by Lessee.

B. Remedies in the Event of Default

1. It is understood and agreed that this lease is executed upon the condition that:
 - a. The Lessee maintains and operates under a satisfactory 501(c)(3) IRS status.
 - b. Lessee will promptly fulfill and perform all the agreements by Lessee contained herein. If

at any time during the term of this lease the Lessee shall fail to fulfill or perform any of the terms, conditions, or covenants to be kept and performed by the Lessee, and should said non-performance continue for a period of ninety (90) days after written notice by Lessor to Lessee, Lessor may, in its sole discretion, extend the time in which the default may be cured. If the nature of Lessee obligations which it has failed to perform is such that more than ninety (90) days are required for cure, the Lessee shall provide the Lessor with a time schedule that must be submitted to Lessor for review and approval by Lessor. It shall not be deemed an event of default if Lessee commences and completes such cure within the approved time schedule. In addition, the Lessor may, at its option and determination, pursue any other appropriate remedy for the enforcement of the rights of the Lessor or re-let the demised premises.

C. Lessor may cancel this Agreement by giving Lessee ninety (90) days advance notice, for the following reasons:

1. For the City's convenience/without cause;
2. The filing by Lessee of a voluntary petition of bankruptcy;
3. The adjudication of Lessee bankruptcy pursuant to involuntary bankruptcy proceeding;
4. The appointment of a receiver of Lessee's assets if Lessee has not removed them within ninety (90) days;
5. The divestiture of Lessee's estate herein by other operation of law.
6. Upon ninety (90) days' written notice of an uncured default of any of the terms of this lease.

ARTICLE XIV -- CANCELLATION BY LESSEE

Lessee, in addition to any other rights of cancellation given herein or by law, may cancel this Agreement and terminate all or any of its obligations hereunder at any time that Lessee is not in default hereunder by giving Lessor ninety (90) days advance written notice upon or after breach by Lessor of any of its obligations hereunder for a period of ninety days (90) days after receipt of a written notice of the existence of such breach and where such breach has not been cured or reasonable steps taken to effect a cure.

ARTICLE XV -- QUIET ENJOYMENT

Lessor represents that it has the right to lease the premises, together with the facilities, rights, and privileges herein granted, and has full power and authority to enter into this Agreement in respect thereof. Lessor agrees that, on performance of the obligations and agreements herein by Lessee, Lessee shall peaceably have and enjoy the leased premises in accordance with the terms of this lease.

ARTICLE XVI -- NOTICES

A. Notices to Lessor provided for herein shall be sufficient if sent by written notice addressed to:

City Manager
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

B. Notices to Lessee, if sent by written notice shall be addressed to:

President
Sedona Recycles, Inc.
2280 Shelby Drive
Sedona, AZ 86336

or to such other respective addresses as the parties may designate to each other in writing from time to time.

ARTICLE XVII -- NON-DISCRIMINATION

Lessee shall comply with all federal, state, and local regulations prohibiting unlawful discrimination in employment, programs, services, activities, and contracting.

ARTICLE XVIII -- NO PERSONAL LIABILITY

Neither the officials who constitute the City of Sedona, nor Sedona Recycles, Inc., nor any employee or agent of either entity, shall be charged personally with any liability under any covenant of this Lease, or because of any breach thereof, or because of the execution of this Lease.

ARTICLE XIX -- ENTIRETY OF AGREEMENT

This lease agreement shall constitute the full Agreement between "Lessor and Lessee". The Agreement may only be modified or amended in writing, signed by both parties.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed on this 13th day of June, 2023.

FOR LESSOR:

FOR LESSEE:

Scott M. Jablow, Mayor

President

ATTEST:

LESSEE WITNESS:

JoAnne Cook, CMC, City Clerk

Vice President

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

Exhibits

Exhibit A - City of Sedona Parks and Recreation Maintenance Standards

Exhibit A

City of Sedona Parks and Recreation Maintenance Standards

The City of Sedona Parks and Recreation Department Park facilities include:

Posse Grounds Park

Sunset Park

Jordan Historical Park

Jack Jamesen Pocket Park

Botanical Garden Pocket Park

Grey Back Pocket Park Sedona

Community Pool Sedona

Teen Center

Jack Malgram Skate Park

All trails, trailheads, and parking lots within the City Parks system.

Introduction

In an effort to recognize the great variations of maintenance requirements of the City's Parks and facilities, it has become necessary to develop for implementation, an acceptable Level of Standards policy.

Objectives of having standards

- Communicate the condition of the park system to City management and staff, elected officials, and the public.
- Develop and communicate the Parks & Recreation goals regarding maintenance standards.
- Assist Parks & Recreation staff in training, scheduling, and prioritizing maintenance functions, and resources.
- Improve park conditions by efficient resource allocation and improved parks maintenance procedures.

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SECTION I: CATEGORIES OF PARK FEATURES
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SECTION I: CATEGORIES OF PARK FEATURES

Based on the diverse nature of the parks system, the Level of Standards policy will be divided into the following categories of Park Features:

I. Landscaped and Hardscaped Areas

1. Lawns
2. Ornamental Gardens, Shrubs, Groundcovers
3. Trees
4. Hardscapes and Trails
5. Open Space

II. Recreational Areas

6. Turf Athletic Fields
7. Outdoor Athletic Courts
8. Children's Play Areas
9. Dog Park Areas

III. Amenities and Structures

10. Restrooms
11. Parking Lots and Surfaces
12. Waste and Recycling Receptacles
13. Ramadas, Benches, Tables, and Grills
14. Amenities and Structures

SECTION II: ELEMENTS OF PARK FEATURES (PE)

I. Landscaped and Hardscaped Areas

1. Lawns
 - Cleanliness
 - Color
 - Density
 - Drainage
 - Irrigation
 - Edging
 - Mowing Height
 - Weeds/Pests
 - Holes
2. Ornamental Gardens, Shrubs, Groundcovers
 - Cleanliness
 - Pruning
 - Plant Health
 - Weeds/Pests
3. Trees
 - Pruning
 - Plant Health
 - Invasives

4. Hardscapes and Trails
 - Cleanliness
 - Drainage
 - Graffiti
 - Weeds/Pests
5. Open Space
 - Cleanliness
 - Native Plants Only-Zeroscape

II. Recreational Areas

6. Turf Athletic Fields
 - Cleanliness
 - Color
 - Drainage
 - Irrigation
 - Fencing
 - Functionality of Structures
 - Graffiti
 - Painting/Striping
 - Surface Quality
 - Mowing Height
 - Weeds/Pests
7. Outdoor Athletic Courts
 - Cleanliness
 - Drainage
 - Fencing
 - Functionality of Structures
 - Graffiti
 - Painting/Striping
 - Surface Quality
8. Children's Playground Areas
 - Cleanliness
 - Fencing
 - Functionality of Equipment
 - Integrity of Equipment
 - Graffiti
 - Signage
 - Surface Quality
9. Dog Park Area

- Bag Dispenser/Waste Receptacle
- Cleanliness
- Drainage
- Signage
- Surface Quality

III. Amenities and Structures

10. Restrooms

- Cleanliness
- Graffiti
- Functionality of Structures
- Lighting
- Odor
- Painting
- Signage
- Supplies
- Waste Receptacles

11. Parking Lots and Surfaces

- ADA Spaces
- Cleanliness
- Curb Conditions
- Drainage
- Graffiti
- Signage/Striping
- Surface Quality

12. Waste and Recycling Receptacles

- Cleanliness
- Fullness
- Signage/Painting
- Structural Integrity and Functionality

13. Ramadas, Benches, Tables, and Grills

- Cleanliness
- Graffiti
- Painting
- Structural Integrity and Functionality

14. Amenities and Structures

- Exterior of Buildings
- Drinking Fountains
- Fencing
- Retaining walls
- Signage

SECTION III: PARK MAINTENANCE SPECIFICATIONS

A. Turf

1. The turf will be maintained according to species and variety of grass, at a uniform height of 1-2 inches.
2. The grass will be mowed and trimmed every five (5) working days, or as necessary to achieve the above standard.
3. Aeration will be performed 3-6 times per year and more for heavily used areas.
4. Top dress athletic fields twice per year with a clean sand/organic mixture.
5. Fertilize all turf 6 times per year during the growing season with a balanced 3:1:2 ratio fertilizer applying 1 pound of nitrogen per 1,000 square feet per application. Test soil annually to determine additional plant/soil health needs.
6. Over-seed all turf in the fall when scheduled play is over. Apply 8-10 pounds of Perennial Rye/KBlue/Fescue per 1, square feet. Apply additional seed at 1-2 pounds per 1,000 sq ft. as needed during spring recovery and to spot seed weak areas.
7. Apply pelletized gypsum, or other amendments as needed based on soil tests.
8. Apply pesticides as required to comply with the Parks Level of Standards quality requirements. All pesticide use is based on strict IPM (Integrated Pest Management) industry standards.

B. Irrigation

The single most important element in turf management is water. Proper water use is key to healthy turf, which promotes less fertilizer and pesticide use, while providing a firm and uniform playing surface. Over-watering is the number one factor contributing to poor turf conditions.

1. ALL irrigation application rates will be based on daily weather data observations and the daily E.T. (Evapotranspiration Rate), by matching the sprinkler zone precipitation rate to the daily E.T. rate. An onsite weather station and integrated controllers will provide the daily water requirement E.T. data. Daily adjustments will be made accordingly.
2. Irrigation systems will be inspected weekly during the growing season to insure proper sprinkler rotation, adjustment, and coverage.
3. Leaks will be repaired immediately.
4. All sprinklers and valve boxes will be set flush with grade.

C. Athletic Fields/Skinned Infields

1. All baseball/softball infields will be groomed daily during league play.
2. Construct skinned infields using an approved specification infield mix to form a solid uniform surface for each sport. Perform mechanical cultivation, grooming, raking, and watering techniques to provide the proper playing surface.
3. Grade infields to ensure proper drainage. Annual laser leveling may be required to achieve proper level. Add soil conditioner and infield mix annually to infields and warning tracks to provide proper level.
4. Rake, level, fill holes, and pack pitcher's mounds and home plate areas after every game during league play.
5. Remove rocks, dirt clods, and debris from the play areas daily.
6. Inspect bases, home plates, and pitcher rubbers daily for damage and wear. Repair and replace as needed.
7. Broom, rake, power wash, edge, or re-sod dirt build-up areas around the lips of the infields or warning tracks to provide a smooth transition from turf to dirt.
8. All fields on which scheduled games occur will be groomed and chalked prior to the scheduled

start time of the game. In the situation where numerous games are scheduled on the same field on the same day, the field will be groomed and chalked prior to the first scheduled game only. Fields will not be chalked for practices. Saturday scheduled games will be groomed and chalked Friday, unless previous arrangements have been made with, and authorized by the Parks Superintendent.

9. Light controls are to be set only by Parks and Recreation staff. Emergency controls are available.
10. Inspect lights monthly for proper function. Replace burned out lamps when 10% or more are out.
11. Conduct annual lighting audit to ensure uniform coverage.

D. Athletic Fields/Turf

1. The lines on the multi-use soccer/football field will be painted weekly throughout the season.
2. Inspect soccer/football field daily. Remove all litter or debris.
3. Repair all holes or damaged areas immediately with sod or soil/seed mix.
4. Re-anchor goals immediately, if needed.
5. Repair and replace torn or tattered nets.
6. Maintain according to section A and B.
7. Repair all holes or damaged areas immediately with sod or soil/seed mix.
8. Turf athletic fields are available for non-sport special events, provided a significant rain event has not occurred prior to the event, and the Parks and Recreation staff is on-site during set up and tear down.

E. Playground Equipment

1. Check all play equipment and surrounding play areas daily. Repair broken equipment immediately or notify a supervisor of follow-up work or materials needed.
2. For major damage or repairs, isolate, remove, or close the damaged piece/area from use until repairs are complete.
3. Remove all litter and debris daily.
4. Perform official monthly inspections on play equipment and surrounding play areas. Record all observations, deficiencies, and schedule repairs.

F. Play Surfaces

1. Check all surfaces daily. Remove all litter and debris.
2. Add fall surface material as needed to stay within ASTM and NSPI standards.
3. Repair and replace damaged rubber cushion surfaces immediately.
4. Inspect fall surface for drainage issues after heavy rains. Surface should be free of standing water within 24 hours.
5. Inspect playground borders weekly. Repair deficiencies.

G. Ramadas/Shelters/Buildings

1. Inspect buildings, tables, and grills monthly for any structural, electrical, plumbing, or equipment damage and repair needs. Isolate any hazardous conditions from use and repair ASAP.

2. Pick-up all litter and debris, remove any hazards daily. Clean up after each use.
3. Maintain grounds on same schedule as rest of the park.
4. Repaint or water-seal all structures every 3 years, or sooner, depending on deterioration.
5. Perform pesticide treatments under the Parks IPM Plan for insect, rodent, or weed control.
6. Clean grills and remove old coals weekly.
7. Inspect for fire hazards such as low limbs or debris. Remove hazards immediately.

H. Trash Receptacles

1. Empty trash receptacles (pull liners) if more than half full or sooner depending on odor or pests.
2. Wash out containers monthly.
3. Inspect weekly for worn, damaged, or missing parts and repair or replace immediately.
4. Inspect surrounding areas daily and clean up all litter or debris around receptacles or dumpsters.

I. Restrooms

1. Inspect all restrooms daily to ensure the lighting, electrical, and plumbing fixtures are functional. Isolate any hazardous conditions from use. Repair or report all deficiencies immediately.
2. Repaint restrooms on a regular basis. Remove all graffiti immediately.

J. Outdoor Sport Courts

1. Clean litter and debris from court surfaces daily and remove any hazards.
2. Repaint or resurface courts when worn areas exceed 20% of court surface, or as scheduled per department "resurfacing plan".
3. Inspect nets weekly to ensure proper function. Repair or replace excessive wear items on a regular basis. Tennis nets must be set to a center height of 36".
4. Inspect lights monthly. Repair all deficiencies immediately.
5. Check ballast boxes and timers weekly for proper operation.
6. Replace lamps when 10% or more are burned out.
7. Conduct annual lighting audits to ensure proper coverage.
8. Inspect goals and backboards weekly. Repair any deficiencies immediately.

K. Sand Volleyball/Horseshoe Courts

1. Check courts daily and pick up all litter and debris.
2. Inspect nets weekly to ensure proper function. Replace worn nets promptly.
3. Inspect courts weekly to insure a level surface. Add sand, till, or level surfaces weekly to provide consistent playing surfaces.

L. Ornamental Gardens/Pocket Parks(non-turf)

1. Check daily for litter or debris.
2. Inspect irrigation systems weekly for proper function. Ensure all drip tubes are buried and all valve boxes are set flush with grade. Repair all discrepancies or leaks immediately.
3. Schedule watering in the evenings and manage irrigation cycles per section B.

4. Manually manage weed control to ensure entire area is 90% weed free.

M. Parking Lots and Walkways

1. Check daily for litter and debris.
2. Sweep and stripe parking lots on a regular basis.
3. Remove all broken curbs immediately.
4. Edge walkways on a 30-day rotation. Including cracks or expansion joints.
5. Sweep or blow walkways a minimum of once a week.

N. Signage/Fencing

1. Inspect all signs and fences weekly for damage or vandalism.
2. Ensure the proper sign is in the proper location, and properly installed.
3. Isolate hazardous deficiencies from use. Repair immediately.

O. Drinking Fountains

1. Inspect all fountains weekly for cleanliness and functionality. Repair any leaks or discrepancies immediately.
2. Ensure ADA compliance for all appropriate fountain locations.

P. Bleachers/Benches/Bridges

1. Check weekly for vandalism or damage.
2. Isolate hazardous deficiencies from use and schedule repairs ASAP.
3. Paint or water seal annually, depending on deterioration.

Q. Lights/Security

1. Check all security systems daily. Report or repair all deficiencies immediately.
2. Check all lights monthly. Report or repair all deficiencies immediately.

R. Pool

1. Check the entire pool facility daily. Remove all litter and debris.
2. Check water quality, circulation system, heaters, and skimmer function daily. Make required adjustments immediately.
3. Brush the entire surface daily. Vacuum a minimum of twice a week prior to scheduled events (early AM) or on off days during slow times.

SECTION IV: EVALUATION FORM

The Measurable Standards evaluation form should be completed for each individual park using the categories specific to each park. A simple “yes” or “no” answer is used for determining whether each element meets the standard. The park is then evaluated on the aggregate score for the number of standards that it meets. This information will be used for many different purposes such as identifying maintenance problems or trends, allocation of resources, and improving park conditions.

Measurable Standards of Park Features

PARK: _____ DATE: _____

PF-1 Lawns

1.1 Cleanliness

- Turf is free of liter and organic debris.

Note: For all categories, examples of litter include cigarette butts, paper wrappings, newspapers, cans, bottles, and larger items. Examples of debris include tree limbs, brush, rocks, etc. Leaves are excluded.

1.2 Color

- 80% of turf is fairly green.

Note: 80% applies to only the growing season.

1.3 Density

- 80% of the turf area is free of bare spots.

Note: Does not include damage due to vandalism or animals.

1.4 Drainage

- 80% of the turf area is free of standing water two days after rain or two hours after irrigation.

1.5 Irrigation

- Irrigation applications to be closely monitored and adjusted based on weather conditions to avoid soil saturation, overwatering, or standing water. No visible leaks. All sprinklers and valve boxes level to grade.

1.6 Edging

- 80% of the edges are clearly defined and have less than 4 inches of growth over adjoining landscape or path.

1.7 Mowing Height

- Lawns are mowed and kept at a uniform height of 1-2 inches. Clippings are scattered or picked up each mowing.

1.8 Weeds/Pests

- 90% of the surface is weed free.
- Surface will be 90% free of burrowing animal holes.
- 90% of the surface is free of insect damage.

PF-2 Ornamental Gardens, Shrubs, and Ground Covers

2.1 Cleanliness

- Completely free of liter and debris.

Note: Leaves are excluded

2.2 Plant health

- 90% or more of all plants are healthy and alive.

2.3 Pruning

- 100% of all plants have the appropriate size and shape for their location and function.

2.4 Irrigation

- No visible leaks. All sprinklers and valve boxes are level to grade. All drip tubes are buried out of sight.

2.5 Weeds

- 90% weed free at all times and 100% free of invasive vines.

PF-3 Trees

3.1 Pruning

- No broken, crossed, or hanging limbs.
- All limbs pruned so as to not impede walkways, streets, or recreation areas.

3.2 Plant Health

- All trees are healthy and alive. Dead trees are to be removed immediately.

3.3 Invasives

- All trees to be free of invasive vines, or parasitic plants (mistletoe).

PF-4 Hardscapes and Trails

4.1 Cleanliness

- Hardscapes and trails are free of liter and debris.

4.2 Drainage

- 95% of all surfaces are free of standing water two days after a rain.
- Heavy rain damage is repaired within 5 days.

4.3 Graffiti

- Zero tolerance. Must be reported immediately and abated within 48 hours.

4.4 Weeds/Pests

- 95% of all surfaces are weed free.

Note: Does not apply to edges or adjoining landscape.

PF-5 Open Space

5.1 Cleanliness

- Completely free of liter and debris.

5.2 Native Zeroscape

- 100% Native plants. Zero maintenance.

PF-6 Turf Athletic Fields

6.1 Cleanliness

- Free of litter and debris

6.2 Color

- Turf athletic fields are uniformly green.

Note: During the growing season

6.3 Drainage

- Free of standing water two days after a rain or two hours after irrigation.

Note: During heavy rain or saturation, fields will be closed.

6.4 Irrigation

- Irrigation practices to be closely monitored and adjusted based on weather conditions to soil saturation, overwatering, or standing water. No visible leaks. All sprinklers and valve boxes level to grade.

6.5 Fencing

- Fencing is functional, free of protrusions, and free of holes or gaps.

6.6 Functionality of Structures

- 90% of available sport-related and support structures are operational for playing and observing sports.

6.7 Graffiti

- Zero tolerance. Must be reported immediately and abated within 48 hours.

6.8 Painting/Striping

- All baseball/softball fields will be stripped on game day prior to the first game only, and only during the specified season.
- Soccer/football fields will be stripped weekly during the specified season.

6.9 Surface Quality

- All baseball/softball in-fields will be mechanically groomed a minimum of twice a week during the season. Grooming will include mechanical tilling and raking.
- All turf areas will be free of holes or uneven surfaces.

6.10 Mowing Height

- The turf will be mowed at a uniform height of 1-2 inches. Clippings will be scattered or picked up after each mowing.

6.11 Weeds/Pests

- Turf will be 90% weed free and 90% free of insect damage.

PF-7 Outdoor Athletic Courts

7.1 Cleanliness

- Court surfaces are free of litter and debris.

7.2 Drainage

- 95% of the surface is free of standing water two days after a rain.

7.3 Fencing

- Fencing is functional, free of protrusions, and free of holes or gaps.

7.4 Functionality of Structures

- 90% of available sort related structures are operational for playing and observing sports.

7.5 Graffiti

- Zero tolerance. Must be reported immediately and abated within 48 hours.

7.6 Painting/Striping

- Play lines are clearly visible and worn paint areas do not exceed 20% of the total court surface.

7.7 Surface Quality

- The court is smooth, free of irregularities in grade greater than half inch. Free of cracks or holes greater than one inch in width or depth.

PF-8 Children's Playground Areas

8.1 Cleanliness

- Children's play area is free of liter, debris, and weeds. Sandbox is free of all foreign debris.

8.2 Fencing

- Where applicable, fencing is functional, free of protrusions, and free of holes or gaps.

8.3 Functionality of Equipment

- A minimum of 80% of intended play equipment is present and functional.

8.4 Integrity of Equipment

- 80% of play equipment is free of deteriorations, such as rust, rot, chipped or peeling paint, dents, and 100% free of sharp edges or protrusions. 100% of attachments, bolts, screws, etc. are secure.

8.5 Graffiti

- Zero Tolerance. Must be reported immediately and abated within 48 hours.

8.6 Signage

- All signs are legible, properly installed, and located in visible locations.

8.7 Surface Quality

- If applicable, sand is loose (not compacted), level, and at least 12 inches deep.

- 100% of rubber surface, or wood chip surface, is present and in good condition.

PF-9 Dog Park Areas

9.1 Bag Dispenser

- Bag dispensers are available and fully operational.

9.2 Cleanliness

- Dog park entrance is free of liter, debris, and feces.

9.3 Signage

- Park signs for leash laws and park rules are legible, properly installed and properly located.

PF-10 Restrooms

10.1 Cleanliness

- Entry way and interior are free of liter and debris.
- Toilets, urinals, diaper-changing stations are clean.

10.2 Graffiti

- Restrooms are free of graffiti. Must be reported immediately and abated within 48 hours.

10.3 Functionality of Structures

- All entry/exit doors, toilets, urinals, partitions, stall walls and doors, diaper changing stations, faucets, and sinks are operational and leak free.

10.4 Lighting

- 90% of all lights are operational.

10.5 Odor

- The restroom is free of offensive odors.

10.6 Painting

- Paint has a uniform coat, color, and texture.

10.7 Signage

- Restroom signs are legible, properly installed, and in the proper location.

10.8 Supplies

- Restrooms are properly stocked with toilet paper, paper towels, soap, and air freshener.

10.9 Waste Receptacle

- Waste receptacles are clean and not overflowing.

PF-11 Parking Lots and Roads

11.1 ADA Parking Spaces

- The proper number of ADA parking spaces are available in the proper locations and marked

with appropriate signage.

11.2 Cleanliness

- Parking lots and roads are free of debris and litter.

11.3 Curbs

- 90% of curbs, or parking blocks, are intact.
- No broken or displaced curbs.

11.4 Drainage

- Parking lots and roads are free of standing water two days after a rain.

11.5 Graffiti

- Zero tolerance. Must be reported immediately and abated within 48 hours.

11.6 Striping/Signage

- 75% of parking and road strips are visible.
- All signs are legible, properly installed, and in the proper location.

11.7 Surface Quality

- Parking lots and roads are free of potholes greater than six inches diameter or depth and are evenly surfaced.

PF-12 Waste and Recycling Receptacles

12.1 Cleanliness

- 90% of all receptacles are clean, and 100% are free of graffiti.
- The immediate area surrounding all receptacles is free of litter or debris.

12.2 Fullness

- 90% of all receptacles are not over half full.

12.3 Signage/Painting

- Painting has a uniform coat, color, and texture on 90% of all receptacles.
- Signage is legible, installed properly, and in the proper location.

12.4 Structural Integrity/Functionality

- 90% of all receptacles are free of cracks or damage that may affect their use.
- 90% are secured by lock and chain to avoid tampering or vandalism.
- 90% are of a similar design and function to provide uniformity throughout the parks.

PF-13 Ramada's, Benches, Tables, and Grills

13.1 Cleanliness

- 90% of available benches and tables are free of litter, dirt, and rust, and 90% of all grills are free of litter and ashes.

13.2 Graffiti

**COMMUNITY SERVICES PROVIDER AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
SEDONA RECYCLES**

This COMMUNITY SERVICES PROVIDER AGREEMENT (this "Agreement") is entered into this 15TH day of APRIL, 2021, between the City of Sedona, an Arizona municipal corporation (the "City"), and Sedona Recycles, Inc. ("Community Services Provider" or "CSP"), collectively called the "parties".

RECITALS

WHEREAS, the City is a municipal corporation organized under the laws of the State of Arizona and entitled to provide services and enter into contractual agreements for the purpose of obtaining services or benefits which it otherwise could provide; and

WHEREAS, the City is in need of certain services for the benefit of the residents of the City and CSP desire to provide to the City certain services for the benefit of the residents of the City; and

WHEREAS, the Community Services Provider operates and maintains CSP as a non-profit corporation that provides services and programs that benefit the residents who reside within the local community. The services provided by CSP constitute a major public service and benefit that enhances the quality of life in Sedona and elsewhere through protection of the environment, and preservation of natural resources by encouraging the recycling of reusable materials and providing a venue for citizens to drop off recyclable materials; and CSP provides public education and promotes community opportunities to reduce, reuse and recycle that can be used for this purpose,

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the mutual covenants contained herein, the parties agree as follows:

1. **Term:** The term of this Agreement is for two (2) years from July 1, 2021 to June 30, 2023. The City may, in its sole discretion, agree to renew the term of this Agreement for three additional one-year periods. Renewals are not automatic and shall only occur if the City gives the CSP notice of its intent to renew.
2. **Payment:**
 - a. The CSP and the City acknowledge that the CSP services and facilities to be provided to Sedona residents are a direct public benefit to the City. The services benefiting the City are set forth below. As consideration for that value, the City will remit to CSP Two Hundred and Three Thousand Dollars (\$203,000) (the "FY22 base amount"), subject to the availability of funds from the City, for the Agreement beginning July 1, 2021 and ending June 30, 2022, in two (2) installments each year of the Agreement by the last day of the months of August and February.

- b. Additionally, the City will remit to CSP a one-time payment of Twenty-Five Thousand Dollars (\$25,000) within 30 days of Sedona City Council's approval of this Agreement, to bring the total FY21 amount back up to the CBWG recommended amounts prior to the COVID-19 Pandemic reductions.
 - c. For FY23, beginning July 1, 2022 and ending June 30, 2023, funding amount will be the FY22 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12 month period ending December of the prior year. The inflationary escalator shall not exceed 5%.
 - d. If the services rendered do not meet the requirements of this Agreement, the CSP shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.
3. **Funding Obligation:** All of the City's obligation to provide the funding or payments herein stated is conditioned on the availability of funds as provided in the City's annual budget as adopted by the Sedona City Council in its sole discretion. The City warrants and represents it will not reduce CSP funding during any period because of private donations or other revenue received by the CSP.
4. **Community Services:** CSP shall provide the community services as defined in this Agreement and as necessary to accomplish the scope of work as defined below. The CSP shall furnish all services, labor, and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement.

Scope of Work:

CSP will provide voluntary drop-off recycling facilities at a location within the City for the purpose of collecting, separating, and processing various recyclable materials, including aluminum cans, steel cans, glass bottles and containers, cardboard, paper, block styrofoam, household batteries, and plastics, and shall be responsible to pay the cost of operating said facilities. CSP will also provide recycling materials pick up services for the City Hall Complex, 102 Roadrunner Drive, as well as community outreach and education regarding the fundamentals of recycling.

5. **Recycling Drop-off Site(s):** After obtaining permission from City staff, CSP may utilize off-site City property to serve as community recycling drop-off sites. CSP will determine and prescribe a pickup schedule based on usage and bins will be serviced as often as necessary. CSP is responsible for clean-up of all materials left at each site, recyclable or otherwise. (The site is designated as the area where recycling bins provided by CSP reside and the immediate area surrounding bins.) City staff must approve any signage for the drop-off site and no off-site drop-off signage will be permitted. CSP will provide liability insurance for each location in the amount of \$1,000,000. The City is not liable for any damage to person or property that occurs at the site and the City acknowledges that CSP shall not be liable for any damage to pavement or driving surfaces resulting from its trucks servicing the bins.
6. **Leased Property:** In lieu of rent payments for the City owned property located at

2280 Shelby Drive (0.45 acres), Yavapai County, State of Arizona, CSP agrees to operate and manage the property in conformity with the terms of this agreement. Lessee acknowledges that Lessor has wastewater facilities located such that it will be necessary for Lessor to have vehicular access to maintain or repair said facilities, and further Lessee agrees to not place materials or facilities over manholes and to arrange materials so that Lessor has vehicular access to manholes from the Shelby Drive frontage.

7. **ADEQ Requirements:** Inasmuch as the City of Sedona submitted to the State of Arizona Department of Environmental Quality on November 3, 2003, a Notice of Intent to be permitted under the terms of Arizona Pollutant Discharge Elimination System General Permit for Discharge AZG-2002-002, which prohibits non-stormwater discharges to storm drainage systems, except certain specified non-significant contributors, and further that Sedona City Code Section 9-2-2 (B) identifies littered exterior areas in or upon public places as a nuisance, CSP shall inspect the drainage ways adjacent to and on the leased property for debris, trash and other material that may have come from its operations and remove and properly dispose of such material. The city requests that CSP inspects the area at least once a week.
8. **Marketing:** The CSP agrees that all printed materials created and distributed by the CSP with funds from the City shall contain a statement recognizing and acknowledging that funding has been provided by the City for such documents.
9. **Financials:** The CSP shall use City funds only for CSP purposes and provide written accounting to the City describing the manner and use of City funds at the City's request. In addition, the CSP shall provide a copy of the IRS 990 form and a copy of its annual financial statements. The City shall have the right to audit the books of the Society at all reasonable times for the purpose of confirming the expenditures of City funds with reasonable notice to the CSP.
10. **Reporting:** The CSP will provide an annual written report of accomplishments to include the following information and performance metrics:
 - a. Estimated percentage of Residents vs. Non-Residents served
 - b. Estimated number of Individual City of Sedona Residents served
 - c. Geographic area served (specific boundaries)
 - d. Total number of collections sites within Sedona City limits
 - e. Item and tonnage of materials recycled from each collection site within Sedona City limits.
 - f. Item and tonnage of materials recycled in total from outside Sedona City limits
 - g. Percentage of collected materials recycled or reused
 - h. Revenue amounts by recycling source (such as glass, aluminum, etc.).
 - i. Number of hours of community outreach and education provided.
 - j. Customer satisfaction survey information (if available).
 - k. Materials recycled cost per ton, by category

At the request of the City Manager, the CSP will also provide an annual verbal presentation to Council.

11. **City Liaison:** The City will appoint one (1) non-voting liaison to attend the CSP Board meetings to provide two-way communication between the City and the CSP.

12. **Termination:** Either party may terminate this Agreement, without penalty, upon 30 days written notice to the other. Upon such termination, the parties shall assess the services rendered to the date of termination and the City shall make any necessary payment or CSP shall make any necessary reimbursement as may be required so that payment for the services rendered to the date of termination shall have been paid by the City on a proportional basis over the actual term of the Agreement.

13. **ADA:** The CSP must conform to the Americans with Disabilities Act of 1990, including changes made by the ADA Amendments Act of 2008 (P.L. 110-325) (ADA) and the Rehabilitation Act of 1973, as amended. This includes prohibiting discrimination against the handicapped in employment, programs, services, and activities and making reasonable accommodations to allow their full and equal access to all such employment, programs, services, and activities. The CSP shall also comply with all other federal, state, and local regulations prohibiting unlawful discrimination in employment, programs, services, activities and contracting.

14. **Legal Compliance:** The CSP agrees to comply with all Federal, State, and City laws or regulations applicable to the CSP's business or services or to the performance of these services.

15. **Written Changes:** This Agreement contains the entire Agreement of the parties with respect to the subject matters hereof and it may be amended or modified only by an instrument in writing signed by both parties.

a. Written notices to City shall be sent to:

City Manager
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

b. Notices to the CSP, shall be addressed to:

Executive Director
Sedona Recycles, Inc.
2280 Shelby Drive
Sedona, AZ 86336

16. **Independent Contractor:**

a. The parties agree that the CSP provides specialized services and that the CSP enters this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute the CSP, nor any of its personnel, volunteers, or directors, as agents, employees, or representatives of the City.

b. As an independent contractor, the CSP is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages that may arise during the operation of this Agreement.

c. It is understood and agreed that the CSP is free to contract with other parties or to otherwise provide additional services.

17. **Insurance:** The CSP shall carry appropriate insurance in a form and at limits

approved by the City. The CSP shall provide a copy of the insurance certificate, which shall list the City of Sedona as an additional insured, to the City Manager's Office prior to the first installment release.

18. HOLD HARMLESS AND INDEMNIFICATION: CSP shall protect, defend, indemnify and hold harmless the City, its officials, officers, employees and agents, from any and all claims, demands, losses, liens, fines, actions and causes of action (including administration or alternative dispute resolution proceedings) penalties or costs (including attorneys' fees) or liability for damages for personal injury or property damage caused by, occurring by reason of or resulting from the acts, errors or omissions of the CSP, its officers, directors, agents, employees, or volunteers, arising out of or in connection with this agreement or in any way arising from the performance or non-performance of the activities or services, duties and obligations required of the CSP as set forth in this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

19. Governing Law; Venue; Waiver of Jury Trial: This Agreement shall be governed by and enforced using the laws of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Yavapai County, Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF SEDONA, ARIZONA

By: Karen Osburn
Karen Osburn, City Manager

Date: 4/14/21

COMMUNITY SERVICE PROVIDER

SEDONA RECYCLES, INC.

By: Doug Cogg
Board Chair

Date: 4/15/21

ATTEST:

Susan L. Irvine
Susan L. Irvine, CMC, City Clerk

ATTEST:

Julie McCutcheon
Executive Director

APPROVED AS TO FORM:

Kurt W. Christianson
Kurt W. Christianson, City Attorney



**CITY COUNCIL
AGENDA BILL**

**AB 2958
June 13, 2023
Consent**

Agenda Item: 3f
Proposed Action & Subject: Approval to lease purchase one vactor truck in an amount not to exceed \$600,812.40, plus interest, from Arizona Wastewater Industries, Inc. via their Sourcewell Cooperative Contract and approval of a Resolution approving the form of the lease purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah and authorizing execution and delivery thereof.

Department	Wastewater
Time to Present	N/A
Total Time for Item	N/A
Other Council Meetings	N/A
Exhibits	A. Resolution B. Quote – Zions Bancorporation, N.A. C. Lease Purchase Agreement D. Escrow Agreement E. Linking Agreement

City Attorney Approval	Reviewed 6/05/23 KWC	Expenditure Required
		\$ 600,812.40
		Amount Budgeted
		\$ 148,000 (FY24 Proposed Budget and annually for 5 years)
City Manager's Recommendation	Approve the lease purchase agreement for the replacement of the city's vactor truck.	Account No. 59-5253-56-6927 (Description) (Financed Purchase Payments)
		Finance Approval <input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background:

The Wastewater Department purchased its existing vactor truck in 2007. The truck was negotiated with a vendor who used it as a traveling model for sales. The vactor truck is used to clean sewer lines, clean lift station wet wells, clear sewage blockages, and clean holding tanks at the Wastewater Reclamation Plant. It has been in service for 16 years.

The vactor truck is experiencing multiple failures and has become unreliable for operation. It frequently overheats, which can lead to inability to respond to sewer emergencies, perform preventative maintenance, inefficiencies in operations, and can lead to safety concerns as the engine will shut down upon overheating and the operator will lose the ability to steer the vehicle.

In Fiscal Years 2019 through 2023, a total of \$42,536 has been spent on repair parts and services for the vactor truck. While repairs have been made, the truck continues to have problems with overheating, loss of suction and power, and is insufficient in the capacity needed for efficient preventative line cleaning.

Historically, preventative sewer line cleaning and video assessment (CCTV) was contracted out. In 2021, the Wastewater Department purchased a CCTV Van to conduct line assessments in-house, which requires a more frequent use of the vactor truck for line cleaning prior to camera operations. The existing vactor truck lacks the capacity needed to regularly and efficiently clean sewer lines. The wastewater department needs a reliable vactor truck to conduct preventative maintenance and to respond to sewer emergencies.

Staff is requesting the approval for purchase of a new, higher capacity, vactor truck to meet operational needs. The proposed purchase from Arizona Wastewater Industries, Inc. is through a cooperative purchasing agreement with Sourcewell. The total cost of the new vactor truck is \$600,812.40, which will be financed through a Lease Purchase Agreement. Funds are budgeted beginning in Fiscal Year 2024 for the annual payments of the lease purchase agreement. Staff is requesting approval prior to the FY24 budget due to long lead times of 9-12 months for production and delivery of the vactor truck.

The City solicited quotations from five (5) banks offering lease purchase financing to local governments. Three (3) banks responded to the solicitation, with Zions Bancorporation, N.A. providing the lowest quotation. The lease purchase financing quotation is attached hereto as Exhibit 2 and includes the following terms:

- Five (5) year term commencing on June 23, 2023
- Annual payments ranging from \$136,729.07 to \$136,729.08
- Payments in arrears (at the end of each year instead of the beginning)
- Interest rate of 4.50%
- No prepayment penalty
- \$1,500.00 per year escrow fee

Lease purchase payments would begin in FY 2024 and be paid from the Wastewater Fund.

A lease purchase agreement is a debt financing arrangement for the purchase and acquisition of the vehicle. This is not a leasing arrangement in which vehicles are turned back into the vendor at the end of the lease or per mile charges assessed. The City will own the vehicle with clear title at the end of the lease purchase term.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): City Council could not approve the lease purchase of a new vactor truck. Doing so would likely lead to increased costs for repair, continued unreliability, the risk of not being able to mitigate sewer emergencies, and increased costs for contracted sewer line cleaning, wet well cleaning, and emergency response.

MOTION

I move to: approve the Linking Agreement authorizing the lease purchase of a new vactor truck in an amount not to exceed \$600,812.40, plus interest, from Arizona Wastewater Industries, Inc. via the Sourcewell Cooperative Contract.

I move to: approve Resolution No. 2023-____, approving the form of the lease purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.

RESOLUTION NO. 2023-____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, APPROVING A LEASE PURCHASE AGREEMENT WITH ZIONS BANCORPORATION, N.A., FOR FUNDS TO BE USED BY THE CITY TO LEASE/PURCHASE A VACTOR TRUCK; AND PROVIDING AUTHORIZATION FOR THE MAYOR TO EXECUTE AND DELIVER SAID AGREEMENT.

WHEREAS, the City of Sedona (“City”) has determined that the leasing of the vactor truck as described in the Lease Purchase Agreement is for a valid public purpose and is essential to the operations of the City; and

WHEREAS, the City Council has reviewed the form of the Lease Purchase Agreement and has found the terms and conditions thereof acceptable; and

WHEREAS, the City has taken the necessary steps to comply with legal bidding requirements to arrange for the leasing of such property.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA AS FOLLOWS:

SECTION 1. That it is deemed in the best interest of the City of Sedona and the citizens thereof that the Lease Purchase Agreement for leasing/purchasing of a vactor truck be entered into, which agreement is now on file in the office of the City Clerk.

SECTION 2. That Mayor or designee is authorized to execute and deliver said Lease Purchase Agreement in substantially the form presented on behalf of the City. That City officers are authorized to may make such changes to the Lease Purchase Agreement and related documents and certificates as such officers deem necessary and to fulfill all obligations under the terms of the Lease Purchase Agreement.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 13th day of June, 2023.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

City of Sedona, Arizona

\$600,812 Equipment Lease Series 2023

Dated June 23, 2023

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/23/2023	-	-	-	-	-
06/15/2024	110,293.33	4.500%	26,435.75	136,729.08	136,729.08
06/15/2025	114,655.72	4.500%	22,073.36	136,729.08	136,729.08
06/15/2026	119,815.22	4.500%	16,913.85	136,729.07	136,729.07
06/15/2027	125,206.91	4.500%	11,522.17	136,729.08	136,729.08
06/15/2028	130,841.22	4.500%	5,887.85	136,729.07	136,729.07
Total	\$600,812.40	-	\$82,832.98	\$683,645.38	-

Yield Statistics

Bond Year Dollars	\$1,840.73
Average Life	3.064 Years
Average Coupon	4.5000003%
Net Interest Cost (NIC)	4.5000003%
True Interest Cost (TIC)	4.4512176%
Bond Yield for Arbitrage Purposes	4.4512176%
All Inclusive Cost (AIC)	4.4512176%

IRS Form 8038

Net Interest Cost	4.5000003%
Weighted Average Maturity	3.064 Years

City of Sedona, Arizona

\$600,812 Equipment Lease Series 2023

Dated June 23, 2023

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
06/15/2028	Term 1 Coupon	4.500%	4.500%	600,812.40	100.000%	600,812.40
Total	-	-	-	\$600,812.40	-	\$600,812.40

Bid Information

Par Amount of Bonds	\$600,812.40
Gross Production	\$600,812.40
Bid (100.000%)	600,812.40
Total Purchase Price	\$600,812.40
Bond Year Dollars	\$1,840.73
Average Life	3.064 Years
Average Coupon	4.5000003%
Net Interest Cost (NIC)	4.5000003%
True Interest Cost (TIC)	4.4512176%

ARIZONA FIXED EQUIPMENT LEASE

Long Name of Entity: City of Sedona, Arizona

Address: 102 Roadrunner Drive

City, State Zip: Sedona, AZ 86336

Attention: Heidi Weber

Public Finance Office: Procurement Officer

County: Yavapai

Amount: 600,812.40

Rate: 4.50

Maturity Date: June 15, 2028

First Pmt Date: June 23, 2023

Payment Dates: June 15

Auto Extend: 6

Governing Body: City Council

Resolution Date: June __, 2023

Dated Date: June, 2023

Day: 23rd

State: Arizona

\$600,812.40
City of Sedona, Arizona
Lease Purchase Agreement

1. Lease/Purchases Agreement of the City of Sedona, Arizona
2. Exhibit A. Calculation of Interest Component
3. Exhibit B. Description of Leased Property
4. Exhibit C. Resolution of Governing Body
5. Exhibit D. Opinion of Lessee's Counsel
6. Exhibit E. Security Documents
7. Exhibit F. Delivery and Acceptance Certificate
8. Exhibit G. Escrow Agreement
9. Form 8038-G
10. Wire Transfer Request

LEASE/PURCHASE AGREEMENT

Dated as of June 23, 2023

by and between

ZIONS BANCORPORATION, N.A.,
as Lessor

and

CITY OF SEDONA, ARIZONA,
as Lessee

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LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of June 23, 2023, by and between ZIONS BANCORPORATION, N.A., a national banking association duly organized and existing under the laws of the United States of America, as lessor (the “Bank” or “Lessor”), and City of Sedona, Arizona (the “Lessee”), a public agency of the State of Arizona (the “State”), duly organized and existing under the Constitution and laws of the State, as lessee;

WITNESSETH:

WHEREAS, the Lessee desires to finance the acquisition of the equipment and/or other personal property described as the “Leased Property” in Exhibit B (the “Leased Property”) by entering into this Lease/Purchase Agreement with the Bank (the “Lease”); and

WHEREAS, the Bank agrees to lease the Leased Property to the Lessee upon the terms and conditions set forth in this Lease, with rental to be paid by the Lessee equal to the Lease Payments hereunder; and

WHEREAS, it is the intent of the parties that the original term of this Lease, and any subsequent renewal terms, shall not exceed 12 months, and that the payment obligation of the Lessee shall not constitute a general obligation under State law; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1 Definitions and Rules of Construction. Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Lease, have the meanings specified in the definitions below. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Lease, refer to this Lease as a whole.

“Acquisition Amount” means \$600,812.40 and is the amount represented by Lessee to be sufficient to acquire the Leased Property and pay any ancillary costs associated therewith.

“Advance” shall have the meaning set forth in Section 2.1(l)(i)(D) hereof.

“Bank” shall have the meaning set forth in the Preamble hereof.

“Business Day” means any day except a Saturday, Sunday, or other day on which banks in Salt Lake City, Utah or the State are authorized to close.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commencement Date” means the date this Lease is executed by the Bank and the Lessee and shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“Escrow Account” means the fund established and held by the Escrow Agent pursuant to the Escrow Agreement.

“Escrow Agent” means the Escrow Agent identified in the Escrow Agreement, and its successors and assigns.

“Escrow Agreement” means the Escrow Agreement dated June 23, 2023 executed by Lessee, Bank and the Escrow Agent, pursuant to which the Escrow Account is established and administered. A copy of the Escrow Agreement shall be found in Exhibit G.

“Event of Nonappropriation” shall have the meaning set forth in Section 3.2 hereof.

“Governing Body” means the governing body of the Lessee.

“Lease Payments” means the rental payments described in Exhibit A hereto.

“Lease Payment Date” shall have the meaning set forth in Section 3.4(a) hereof.

“Leased Property” shall have the meaning set forth in the Whereas clauses hereof.

“Lessee” shall have the meaning set forth in the Preamble hereof.

“Net Proceeds” means insurance or eminent domain proceeds received with respect to the Leased Property less expenses incurred in connection with the collection of such proceeds.

“Obligation Instrument” shall have the meaning set forth in Section 2.1(c) hereof.

“Original Term” shall have the meaning set forth in Section 3.2 hereof.

“Permitted Encumbrances” means, as of any particular time: (i) liens for taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to provisions of Section 5.3 hereof, permit to remain unpaid; (ii) this Lease; (iii) any contested right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law to the extent permitted under Section 5.4(b) hereof; (iv) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the execution date of this Lease and which the Lessee hereby certifies will not materially impair the use of the Leased Property by the Lessee; and (v) other rights, reservations, covenants, conditions or restrictions established following the date of execution of this Lease and to which the Bank and the Lessee consent in writing.

“Rebate Exemption” shall have the meaning set forth in Section 2.1(1)(ii)(A) hereof.

“Regulations” shall have the meaning set forth in Section 2.1(1)(i) hereof.

“Renewal Term” shall have the meaning set forth in Section 3.2 hereof.

“Scheduled Term” shall have the meaning set forth in Section 3.2 hereof.

“State” shall have the meaning set forth in the Preamble hereof.

“Term” or “Term of this Lease” means the Original Term and all Renewal Terms provided for in this Lease under Section 3.2 until this Lease is terminated as provided in Section 3.3 hereof.

SECTION 1.2 Exhibits. Exhibits A, B, C, D, E, F and G attached to this Lease are by this reference made a part of this Lease.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants to the Bank as follows:

(a) Due Organization and Existence. The Lessee is a public agency of the State duly organized and existing under the Constitution and laws of the State.

(b) Authorization; Enforceability. The Constitution and laws of the State authorize the Lessee to enter into this Lease and to enter into the transactions contemplated by, and to carry out its obligations under, this Lease. The Lessee has duly authorized, executed and delivered this Lease in accordance with the Constitution and laws of the State. This Lease constitutes the legal, valid and binding special obligation of the Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Conflicts or Default; Other Liens or Encumbrances. Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby (i) conflicts with or results in a breach of the terms, conditions, provisions, or restrictions of any existing law, or court or administrative decree, order, or regulation, or agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, **including without limitation any agreement or instrument pertaining to any bond, note, lease, certificate of participation, debt instrument, or any other obligation of the Lessee** (any such bond, note, lease, certificate of participation, debt instrument, and other obligation being referred to herein as an “Obligation Instrument”), (ii) constitutes a default under any of the foregoing, or (iii) results in the creation or imposition of any pledge, lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessee, or upon the Leased Property except for Permitted Encumbrances.

By way of example, and not to be construed as a limitation on the representations set forth in the immediately preceding paragraph:

(A) no portion of the Leased Property is pledged to secure any Obligation Instrument; and

(B) the interests of the Lessor in the Leased Property hereunder do not violate the terms, conditions or provisions of any restriction or revenue pledge in any agreement or instrument pertaining to any Obligation Instrument.

If any Obligation Instrument existing on the date of execution of this Lease creates any pledge, lien, charge or encumbrance on any revenues, property or assets associated with the Leased Property that is higher in priority to the Bank’s interests therein under this Lease, the Bank hereby subordinates its interests therein, but only to the extent required pursuant to such existing Obligation Instrument.

(d) Compliance with Open Meeting Requirements. The Governing Body has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Lessee's execution of this Lease was authorized.

(e) Compliance with Bidding Requirements. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property pursuant to this Lease, or the Governing Body and the Lessee have complied with all such procurement and public bidding laws as may be applicable hereto.

(f) No Adverse Litigation. There are no legal or governmental proceedings or litigation pending, or to the best knowledge of the Lessee threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling, or finding might adversely affect the transaction contemplated in or the validity of this Lease.

(g) Opinion of Lessee's Counsel. The letter attached to this Lease as Exhibit D is a true opinion of Lessee's counsel.

(h) Governmental Use of Leased Property. During the Term of this Lease, the Leased Property will be used solely by the Lessee, and only for the purpose of performing one or more governmental or proprietary functions of the Lessee consistent with the permissible scope of the Lessee's authority, and the Leased Property will not be subject to any direct or indirect private business use.

(i) Other Representations and Covenants. The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Lease.

(j) No Nonappropriations. The Lessee has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any municipal lease of the same general nature as this Lease, or under any of its bonds, notes, or other obligations of indebtedness for which its revenues or general credit are pledged.

(k) No Legal Violation. The Leased Property is not, and at all times during the Term of this Lease will not be in violation of any federal, state or local law, statute, ordinance or regulation.

(l) General Tax and Arbitrage Representations and Covenants.

(i) The certifications and representations made by the Lessee in this Lease are intended, among other purposes, to be a certificate permitted in Section 1.148-2(b) of the Treasury Regulations promulgated pursuant to Section 148 of the Code (the "Regulations"), to establish the reasonable expectations of the Lessee at the time of the execution of this Lease made on the basis of the facts, estimates and circumstances in existence on the date hereof. The Lessee further certifies and covenants as follows:

(A) The Lessee has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as an issuer which may certify bond issues.

(B) To the best knowledge and belief of the Lessee, there are no facts, estimates or circumstances that would materially change the conclusions, certifications or representations set forth in this Lease, and the expectations herein set forth are reasonable.

(C) The Scheduled Term of this Lease does not exceed the useful life of the Leased Property, and the weighted average term of this Lease does not exceed the weighted average useful life of the Leased Property.

(D) Each advance of funds by the Bank to finance Leased Property under this Lease (each an "Advance") will occur only when and to the extent that the Lessee has reasonably determined and identified the nature, need, and cost of each item of Leased Property pertaining to such Advance.

(E) No use will be made of the proceeds of this Lease or any such Advance, or any funds or accounts of the Lessee which may be deemed to be proceeds of this Lease or any such Advance, which use, if it had been reasonably expected on the date of the execution of this Lease or of any such Advance, would have caused this Lease or any such Advance to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code.

(F) The Lessee will at all times comply with the rebate requirements of Section 148(f) of the Code as they pertain to this Lease, to the extent applicable.

(G) In order to preserve the status of this Lease and the Advances as other than "private activity bonds" as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease and any such Advances are outstanding and unpaid:

(I) none of the proceeds from this Lease or the Advances or any facilities or assets financed therewith shall be used for any "private business use" as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code;

(II) the Lessee will not allow any such "private business use" to be made of the proceeds of this Lease or the Advances or any facilities or assets financed therewith; and

(III) none of the Advances or Lease Payments due hereunder shall be secured in whole or in part, directly or indirectly, by any interest in any property used in any such "private business use" or by payments in respect of such property and shall not be derived from payments in respect of such property.

(H) The Lessee will not take any action, or omit to take any action, which action or omission would cause the interest component of the Lease Payments to be ineligible for the exclusion from gross income as provided in Section 103 of the Code.

(I) The Lessee is a "governmental unit" within the meaning of Section 141(b)(6) of the Code.

(J) The obligations of the Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(K) This Lease and the Advances to be made pursuant hereto will not reimburse the Lessee for any expenditures incurred prior to the date of this Lease and do not constitute a "refunding issue" as defined in Section 1.150-1(d) of the

Regulations, and no part of the proceeds of this Lease or any such Advances will be used to pay or discharge any obligations of the Lessee the interest on which is or purports to be excludable from gross income under the Code or any predecessor provision of law.

(L) In compliance with Section 149(e) of the Code relating to information reporting, the Lessee will file or cause to be filed with the Internal Revenue Service Center, Ogden, UT 84201, within fifteen (15) days from the execution of this Lease, IRS Form 8038-G or 8038-GC, as appropriate, reflecting the total aggregate amount of Advances that can be made pursuant to this Lease.

(M) None of the proceeds of this Lease or the Advances to be made hereunder will be used directly or indirectly to replace funds of the Lessee used directly or indirectly to acquire obligations at a yield materially higher than the yield on this Lease or otherwise invested in any manner. No portion of the Advances will be made for the purpose of investing such portion at a materially higher yield than the yield on this Lease.

(N) Inasmuch as Advances will be made under this Lease only when and to the extent the Lessee reasonably determines, identifies and experiences the need therefor, and will remain outstanding and unpaid only until such time as the Lessee has moneys available to repay the same, the Lessee reasonably expects that (I) the Advances will not be made sooner than necessary; (II) no proceeds from the Advances will be invested at a yield higher than the yield on this Lease; and (III) the Advances and this Lease will not remain outstanding and unpaid longer than necessary.

(O) The Lessee will either (i) spend all of the moneys advanced pursuant to this Lease immediately upon receipt thereof, without investment, on the portion of the Leased Property that is to be financed thereby; or (ii) invest such moneys at the highest yield allowable and practicable under the circumstances until they are to be spent on the portion of the Leased Property that is to be financed thereby, and track, keep records of, and pay to the United States of America, all rebatable arbitrage pertaining thereto, at the times, in the amounts, in the manner, and to the extent required under Section 148(f) of the Code and the Treasury Regulations promulgated in connection therewith. At least five percent (5%) of the total amount of moneys that are expected to be advanced pursuant to this Lease are reasonably expected to have been expended on the Leased Property within six (6) months from the date of this Lease. All moneys to be advanced pursuant to this Lease are reasonably expected to have been expended on the Leased Property no later than the earlier of: (I) the date twelve (12) months from the date such moneys are advanced; and (II) the date three (3) years from the date of this Lease.

(P) This Lease and the Advances to be made hereunder are not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the regulations promulgated in connection therewith (I) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (II) overburdening the tax-exempt bond market, as those terms are used in Section 1.148-10(a)(2) of the Regulations.

(Q) To the best of the knowledge, information and belief of the Lessee, the above expectations are reasonable. On the basis of the foregoing, it is not

expected that the proceeds of this Lease and the Advances to be made hereunder will be used in a manner that would cause this Lease or such Advances to be "arbitrage bonds" under Section 148 of the Code and the regulations promulgated thereunder, and to the best of the knowledge, information and belief of the Lessee, there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

(ii) Arbitrage Rebate Under Section 148(f) of the Code. With respect to the arbitrage rebate requirements of Section 148(f) of the Code, either (check applicable box):

(A) Lessee Qualifies for Small Issuer Exemption from Arbitrage Rebate. The Lessee hereby certifies and represents that it qualifies for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Advances made under this Lease (the "Rebate Exemption") as follows:

(1) The Lessee has general taxing powers.

(2) Neither this Lease, any Advances to be made hereunder, nor any portion thereof are private activity bonds as defined in Section 141 of the Code ("Private Activity Bonds").

(3) Ninety-five percent (95%) or more of the net proceeds of the Advances to be made hereunder are to be used for local government activities of the Lessee (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Lessee).

(4) Neither the Lessee nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt obligations other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during the current calendar year, including the Advances to be made hereunder, which in the aggregate would exceed \$5,000,000 in face amount, or \$15,000,000 in face amount for such portions, if any, of any tax-exempt obligations of the Lessee and any aggregated issuer as are attributable to construction of public school facilities within the meaning of Section 148(f)(4)(D)(vii) of the Code.

For purposes of this Section, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee.

The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(i)(IV) of the Code.

Accordingly, the Lessee will qualify for the Rebate Exemption granted to governmental units issuing less than \$5,000,000 under Section 148(f)(4)(D) of the Code (\$15,000,000 for the financing of public school facilities construction as described above), and the Lessee shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to this Lease and the Advances to be made hereunder.

(B) Lessee Will Keep Records of and Will Rebate Arbitrage. The Lessee does not qualify for the small issuer Rebate Exemption described above, and the Lessee hereby certifies and covenants that it will account for, keep the appropriate records of, and pay to the United States, the rebate amount, if any, earned from the investment of gross proceeds of this Lease and the Advances to be made hereunder, at the times, in the amounts, and in the manner prescribed in Section 148(f) of the Code and the applicable Regulations promulgated with respect thereto.

(m) Small Issuer Exemption from Bank Nondeductibility Restriction. Based on the following representations of the Lessee, the Lessee hereby designates this Lease and the interest components of the Lease Payments hereunder as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code: (i) this Lease and the Lease Payments hereunder are not private activity bonds within the meaning of Section 141 of the Code; (ii) the Lessee reasonably anticipates that it, together with all “aggregated issuers,” will not issue during the current calendar year obligations (other than those obligations described in clause (iii) below) the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code which, when aggregated with this Lease, will exceed an aggregate principal amount of \$10,000,000; (iii) and notwithstanding clause (ii) above, the Lessee and its aggregated issuers may have issued in the current calendar year and may continue to issue during the remainder of the current calendar year private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code. For purposes of this subsection, “aggregated issuer” means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee. The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code.

(n) Reports to State. The Lessee has duly authorized and executed this Lease in accordance with A.R.S. section 35-501 and has filed with the State of Arizona all reports required thereunder relating to this Lease.

SECTION 2.2 Representations, Covenants and Warranties of the Bank. The Bank is a national banking association, duly organized, existing and in good standing under and by virtue of the laws of the United States of America, has the power to enter into this Lease, is possessed of full power to own and hold real and personal property, and to lease and sell the same, and has duly authorized the execution and delivery of this Lease. This Lease constitutes the legal, valid and binding obligation of the Bank, enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

ARTICLE III

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

SECTION 3.1 Lease. The Bank hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Bank, upon the terms and conditions set forth herein.

Concurrently with its execution of this Lease, the Lessee shall deliver to the Bank fully completed documents substantially in the forms attached hereto as Exhibits B, C, D, E, F and G hereto.

SECTION 3.2 Term. The Term of this Lease shall commence on the date of execution of this Lease, which is also the date on which the Acquisition Amount is deposited with the Escrow Agent, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D, E, F, and G attached hereto, and continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). Thereafter, this Lease will be extended for 6 successive additional periods of one year coextensive with Lessee's fiscal year, except for the last such period which may be less than a full fiscal year, (each, a “Renewal Term”) subject to an Event of Nonappropriation as described herein below in this Section 3.2 and in Section 3.3(a), with the final Renewal Term ending on June 15, 2028, unless this Lease is terminated as hereinafter provided. The Original Term together with all scheduled Renewal Terms shall be referred to herein as the “Scheduled Term” irrespective of whether this Lease is terminated for any reason prior to the scheduled commencement or termination of any Renewal Term as provided herein.

If Lessee does not appropriate funds for the payment of Lease Payments due for any Renewal Term in the adopted budget of the Lessee for the applicable fiscal year (an “Event of Nonappropriation”), this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Bank of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect.

SECTION 3.3 Termination. This Lease will terminate upon the earliest of any of the following events:

- (a) upon the expiration of the Original Term or any Renewal Term of this Lease following an Event of Nonappropriation;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Leased Property;
- (c) a default by Lessee and Bank's election to terminate this Lease under Article VII herein;
- (d) the expiration of the Scheduled Term of this Lease, the Lessee having made payment of all Lease Payments accrued to such date; or
- (e) Lessee may terminate this Lease at any time pursuant to A.R.S. § 38-511, to the extent applicable.

SECTION 3.4 Lease Payments.

(a) **Time and Amount.** During the Term of this Lease and so long as this Lease has not terminated pursuant to Section 3.3, the Lessee agrees to pay to the Bank, its successors and assigns, as annual rental for the use and possession of the Leased Property, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit A, to be due and payable in arrears on each payment date identified in Exhibit A (or if such day is not a Business Day, the next succeeding Business Day) specified in Exhibit A (the “Lease Payment Date”).

(b) **Rate on Overdue Payments.** In the event the Lessee should fail to make any of the Lease Payments required in this Section, the Lease Payment in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the original interest rate payable with respect to such Lease Payments.

(c) Additional Payments. Any additional payments required to be made by the Lessee hereunder, including but not limited to Sections 4.1, 5.3, and 7.4 of this Lease, shall constitute additional rental for the Leased Property.

SECTION 3.5 Possession of Leased Property Upon Termination. Upon termination of this Lease pursuant to Sections 3.3(a), or 3.3(c), the Lessee shall transfer the Leased Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property, and the Lessee at the Bank's direction shall ship the Leased Property to the destination designated by the Bank by loading the Leased Property at the Lessee's cost and expense, on board such carrier as the Bank shall specify.

SECTION 3.6 No Withholding. Notwithstanding any dispute between the Bank and the Lessee, in connection with this Lease or otherwise, including a dispute as to the failure of any portion of the Leased Property in use by or possession of the Lessee to perform the task for which it is leased, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

SECTION 3.7 Lease Payments to Constitute a Current Obligation of the Lessee. Notwithstanding any other provision of this Lease, the Lessee and the Bank acknowledge and agree that the obligation of the Lessee to pay Lease Payments hereunder constitutes a current special obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness of the Lessee within the meaning of any constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general tax revenues or credit of the Lessee to the payment of the Lease Payments, or the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Lease Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

SECTION 3.8 Net Lease. This Lease shall be deemed and construed to be a "net-net-net lease" and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

SECTION 3.9 Offset. Lease Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Lease Payments or other sums for any reason whatsoever, including, but not limited to: (i) any accident or unforeseen circumstances; (ii) any damage or destruction of the Leased Property or any part thereof; (iii) any restriction or interference with Lessee's use of the Leased Property; (iv) any defects, breakdowns, malfunctions, or unsuitability of the Leased Property or any part thereof; or (v) any dispute between the Lessee and the Bank, any vendor or manufacturer of any part of the Leased Property, or any other person.

ARTICLE IV

INSURANCE

SECTION 4.1 Insurance. Lessee, at Bank's option, will either self-insure, or at Lessee's cost, will cause casualty insurance and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and public liability insurance with respect to the Leased Property in the amounts required by law, but in no event with a policy limit less than \$1,000,000 per occurrence. All insurance shall be written in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-

insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Bank to be a loss payee as its interest under this Lease may appear on such property damage insurance policies, and an additional insured on a primary and noncontributory basis on such public liability insurance in an amount equal to or exceeding the minimum limit stated herein. Subject to Section 4.2, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Bank in an amount equal to the then outstanding principal and accrued interest components of the Lease Payments at the time of such damage or destruction as provided by Section 8.1. Lessee will deliver to Bank the policies or evidences of insurance or self-insurance satisfactory to Bank, together with receipts for the applicable premiums before the Leased Property is delivered to Lessee and at least thirty (30) days before the expiration of any such policies. By endorsement upon the policy or by independent instrument furnished to Bank, such insurer will agree that it will give Bank at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workers compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to Bank certificates evidencing such coverages throughout the Term of this Lease.

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this Lease less that portion of such Lease Payments attributable to interest which will not then have accrued as provided in Section 8.1. No loss, theft, destruction, or damage to the Leased Property will impose any obligation on Bank under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Leased Property and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

ARTICLE V

COVENANTS

SECTION 5.1 Use of the Leased Property. The Lessee represents and warrants that it has an immediate and essential need for the Leased Property to carry out and give effect to the public purposes of the Lessee, which need is not temporary or expected to diminish in the foreseeable future, and that it expects to make immediate use of all of the Leased Property.

The Lessee hereby covenants that it will install, use, operate, maintain, and service the Leased Property in accordance with all vendors' instructions and in such a manner as to preserve all warranties and guarantees with respect to the Leased Property.

The Lessor hereby assigns to the Lessee, without recourse, for the Term of this Lease, all manufacturer warranties and guarantees, express or implied, pertinent to the Leased Property, and the Lessor directs the Lessee to obtain the customary services furnished in connection with such warranties and guarantees at the Lessee's expense; provided, however, that the Lessee hereby agrees that it will reassign to the Lessor all such warranties and guarantees in the event of termination of this Lease pursuant to Sections 3.3(a) or 3.3(c).

SECTION 5.2 Interest in the Leased Property and this Lease. Upon expiration of the Term as provided in Section 3.3(b) or 3.3(d) hereof, all right, title and interest of the Bank in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer.

SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.

(a) **Maintenance; Repair and Replacement.** Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all repair and maintenance of the Leased Property shall be the responsibility of the Lessee, and the Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property excepting ordinary wear and tear, and the Lessee hereby covenants and agrees that it will comply with all vendors' and manufacturers' maintenance and warranty requirements pertaining to the Leased Property. In exchange for the Lease Payments herein provided, the Bank agrees to provide only the Leased Property, as hereinbefore more specifically set forth.

(b) **Tax and Assessments; Utility Charges.** The Lessee shall also pay or cause to be paid all taxes and assessments, including but not limited to utility charges, of any type or nature charged to the Lessee or levied, assessed or charged against any portion of the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

(c) **Contests.** The Lessee may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the Bank with the opinion of an independent counsel acceptable to the Bank to the effect that, by nonpayment of any such items, the interest of the Bank in such portion of the Leased Property will not be materially endangered and that the Leased Property will not be subject to loss or forfeiture. Otherwise, the Lessee shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Bank.

SECTION 5.4 Modification of the Leased Property.

(a) **Additions, Modifications and Improvements.** The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to any portion of the Leased Property if such improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other

than those authorized under the provisions of State and federal law or in any way which would impair the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) No Liens. Except for Permitted Encumbrances, the Lessee will not permit (i) any liens or encumbrances to be established or remain against the Leased Property or (ii) any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Lessee pursuant to this Section; provided that if any such mechanic's lien is established and the Lessee shall first notify or cause to be notified the Bank of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Bank with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Bank. The Bank will cooperate fully in any such contest.

SECTION 5.5 Permits. The Lessee will provide all permits and licenses necessary for the ownership, possession, operation, and use of the Leased Property, and will comply with all laws, rules, regulations, and ordinances applicable to such ownership, possession, operation, and use. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Leased Property, such changes or additions will be made by the Lessee at its own expense.

SECTION 5.6 Bank's Right to Perform for Lessee. If the Lessee fails to make any payment or to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, the Bank may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and the expense of any such action incurred by the Bank, as the case may be, will be deemed to be additional rent payable by the Lessee on the Bank's demand.

SECTION 5.7 Bank's Disclaimer of Warranties. The Bank has played no part in the selection of the Leased Property, the Lessee having selected the Leased Property independently from the Bank. The Bank, at the Lessee's request, has acquired or arranged for the acquisition of the Leased Property and shall lease the same to the Lessee as herein provided, the Bank's only role being the facilitation of the financing of the Leased Property for the Lessee. **THE BANK MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE LESSEE OF THE LEASED PROPERTY, OR ANY PORTION THEREOF. THE LESSEE ACKNOWLEDGES THAT THE BANK IS NOT A MANUFACTURER OR VENDOR OF ALL OR ANY PORTION OF THE LEASED PROPERTY, AND THAT THE LESSEE IS LEASING THE LEASED PROPERTY AS IS.** In no event shall the Bank be liable for incidental, direct, indirect, special or consequential damages, in connection with or arising out of this Lease, for the existence, furnishing, functioning or Lessee's use and possession of the Leased Property.

SECTION 5.8 Indemnification. To the extent permitted by applicable law, the Lessee hereby agrees to indemnify and hold harmless the Bank, its directors, officers, shareholders, employees, agents, and successors from and against any loss, claim, damage, expense, and liability resulting from or attributable to the acquisition, construction, or use of the Leased Property. Notwithstanding the foregoing, the Bank shall not be indemnified for any liability resulting from the gross negligence or willful misconduct of the Bank.

SECTION 5.9 Inclusion for Consideration as Budget Item. During the Term of this Lease, the Lessee covenants and agrees that it shall give due consideration, in accordance with applicable law, as an item for expenditure during its annual budget considerations, of an amount necessary to pay Lease Payments for the Leased Property during the next succeeding Renewal Term. Nothing herein shall be construed to direct or require that Lessee take or direct that any legislative act be done, or that the Governing Body of Lessee improperly or unlawfully delegate any of its legislative authority.

SECTION 5.10 Annual Financial Information. During the Term of this Lease, the Lessee covenants and agrees to provide the Bank as soon as practicable when they are available: (i) a copy of the Lessee's final annual budget for each fiscal year; (ii) a copy of the Lessee's most recent financial statements; and (iii) any other financial reports the Bank may request from time to time.

ARTICLE VI

ASSIGNMENT AND SUBLEASING

SECTION 6.1 Assignment by the Bank. The parties hereto agree that all rights of Bank hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part, including without limitation transfer to a trustee pursuant to a trust arrangement under which the trustee issues certificates of participation evidencing undivided interests in this Lease and/or the rights to receive Lease Payments hereunder, provided that notice of any such assignment, transfer or other disposition is given to Lessee.

SECTION 6.2 Assignment and Subleasing by the Lessee. The Lessee may not assign this Lease or sublease all or any portion of the Leased Property unless both of the following shall have occurred: (i) the Bank shall have consented to such assignment or sublease; and (ii) the Bank shall have received assurance acceptable to the Bank that such assignment or sublease: (A) is authorized under applicable state law, (B) will not adversely affect the validity of this Lease, and (C) will not adversely affect the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Payment Default. Failure by the Lessee to pay any Lease Payment required to be paid hereunder by the corresponding Lease Payment Date.

(b) Covenant Default. Failure by the Lessee to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Bank; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Bank shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Bankruptcy or Insolvency. The filing by the Lessee of a case in bankruptcy, or the subjection of any right or interest of the Lessee under this Lease to any execution, garnishment or

attachment, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of creditors, or the entry by the Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

The foregoing provisions of this Section 7.1 are subject to the provisions of Section 3.2 hereof with respect to nonappropriation.

SECTION 7.2 Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, the Bank shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

(a) take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property;

(b) hold the Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the rent paid by a lessee of the Leased Property pursuant to such lease; and

(c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Lease, the Security Documents (defined in Section 9.3), the Escrow Agreement or as a secured party in any or all of the Leased Property or the Escrow Account hereunder.

(d) terminate the Escrow Agreement and apply the proceeds in the Escrow Account to the Lease Payments due hereunder.

SECTION 7.3 No Remedy Exclusive. No remedy conferred herein upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 7.4 Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

SECTION 7.5 Waiver of Certain Damages. With respect to all of the remedies provided for in this Article VII, the Lessee hereby waives any damages occasioned by the Bank's repossession of the Leased Property upon an event of default.

ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

SECTION 8.1 Extraordinary Prepayment From Net Proceeds. To the extent, if any, required pursuant to Section 4.1 the Lessee shall be obligated to purchase the Leased Property by prepaying the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds or other moneys pursuant to Article IV hereof. The Lessee and the Bank hereby agree that in the case of such prepayment of the Lease Payments in part, such Net Proceeds or other moneys shall be credited toward the Lessee's obligations hereunder pro rata among Lease Payments so that following prepayment, the remaining annual Lease Payments will be proportional to the initial annual Lease Payments.

SECTION 8.2 Option to Purchase Leased Property. Subject to the terms and conditions of this Section, the Bank hereby grants an option to the Lessee to purchase all or a portion of the Leased Property by paying on any date a price equal to the portion of the outstanding principal component of the Lease Payments that is allocable to such portion of the Leased Property that is being so purchased, without premium, plus the accrued interest component of such portion of the Lease Payments to such payment date. To exercise this option, the Lessee must deliver to the Bank written notice specifying the date on which the Leased Property is to be purchased (the "Closing Date"), which notice must be delivered to the Bank at least thirty (30) days prior to the Closing Date specified therein. The Lessee may purchase the Leased Property pursuant to the option granted in this Section only if the Lessee has made all Lease Payments when due (or has remedied any defaults in the payment of Lease Payments, in accordance with the provisions of this Lease) and all other warranties, representations, covenants, and obligations of the Lessee under this Lease have been satisfied (or all breaches thereof have been waived by the Bank in writing).

Upon the expiration of the Scheduled Term of this Lease and provided that all conditions of the immediately preceding paragraph have been satisfied (except those pertaining to notice), the Lessee shall be deemed to have purchased the Leased Property (without the need for payment of additional moneys) and shall be vested with all rights and title to the Leased Property.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 Notices. Unless otherwise specifically provided herein, all notices shall be in writing addressed to the respective party as set forth below (or to such other address as the party to whom such notice is intended shall have previously designated by written notice to the serving party), and may be personally served, telecopied, or sent by overnight courier service or United States mail:

If to Bank:

ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133
Attention: Kirsi Hansen

If to the Lessee:

City of Sedona, Arizona
102 Roadrunner Drive
Sedona, AZ 86336
Attention: Heidi Weber

Such notices shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission if transmitted by 4:00 p.m. (Salt Lake City time) on a Business Day or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, two Business Days after delivery to such courier properly addressed; or (d) if by United States mail, four Business Days after depositing in the United States mail, postage prepaid and properly addressed.

SECTION 9.2 System of Registration. The Lessee shall be the Registrar for this Lease and the rights to payments hereunder. The Bank shall be the initial Registered Owner of rights to receive payments hereunder. If the Bank transfers its rights to receive payments hereunder, the Registrar shall note on this Lease the name and address of the transferee.

SECTION 9.3 Instruments of Further Assurance. To the extent, if any, that the Bank's interest in the Leased Property as Lessor under this Lease is deemed to be a security interest in the Leased Property, then the Lessee shall be deemed to have granted, and in such event the Lessee does hereby grant, a security interest in the Leased Property and any moneys and investments held from time to time in the Escrow Account to the Bank, which security interest includes proceeds, and this Lease shall constitute a security agreement under applicable law. Concurrently with the execution of this Lease, the Lessee has executed, delivered, and filed and/or recorded all financing statements, UCC forms, mortgages, deeds of trust, notices, filings, and/or other instruments, in form required for filing and/or recording thereof, as are required under applicable law to fully perfect such security interest of the Bank in the Leased Property (collectively, "Security Documents"). Attached hereto as Exhibit E are copies of all such Security Documents. The Lessee will do, execute, acknowledge, deliver and record, or cause to be done, executed, acknowledged, delivered and recorded, such additional acts, notices, filings and instruments as the Bank may require in its sole discretion to evidence, reflect and perfect the title, ownership, leasehold interest, security interest and/or other interest of the Bank in and to any part or all of the Leased Property, promptly upon the request of the Bank.

SECTION 9.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Bank and the Lessee and their respective successors and assigns.

SECTION 9.5 Amendments. This Lease may be amended or modified only upon the written agreement of both the Bank and the Lessee.

SECTION 9.6 Section Headings. Section headings are for reference only and shall not be used to interpret this Lease.

SECTION 9.7 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, to the extent permitted by law, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between the Bank and the Lessee and supersedes any prior agreement between the Bank and the Lessee with respect to the Leased Property, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by both the Bank and the Lessee.

SECTION 9.9 Execution in Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.10 Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Lease or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of

the parties and may not make any ruling or award that does not conform to the terms and conditions of this Lease. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses.

SECTION 9.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 9.12 Immigration. To the extent applicable and except as stated below, pursuant to the provisions of the Section 41-4401 of the Arizona Revised Statutes, and in accordance with federal law and Bank's practice, Bank hereby warrants and certifies that Bank complies with the Immigration Reform and Control Act of 1986 and employment with the Bank is contingent on the successful completion of the I-9 verification process and the E-Verify requirements of Section 23-214(A) of the Arizona Revised Statutes. Such employment with Bank is not contingent on any of the other requirements of Section 23-214(A). Bank does not knowingly employ any individuals in the United States who are not legally authorized to work in the United States. For associate confidentiality reasons, Bank generally does not disclose or allow the inspection of its personnel records of its associates to third parties, including I-9 or e-Verify documentation. However, if there are concerns about an individual's eligibility to perform work in connection with this Agreement, please contact Lessor in accordance with Section 9.1 of this Agreement and Lessor will investigate and respond to these concerns.

SECTION 9.13 Boycotting Israel. Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Bank hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If it is determined that Bank's certification above is false or that it has breached such agreement, Lessee may impose remedies as provided by law.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Bank has caused this Lease to be executed in its name by its duly authorized officer, and the Lessee has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

ZIONS BANCORPORATION, N.A., as Lessor

By: _____
Authorized Officer

CITY OF SEDONA, ARIZONA, as Lessee

By: _____

Title

EXHIBIT A

FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE*

1. Interest. Interest components payable on the principal amount outstanding have been computed at the rate of four and fifty hundredths percent (4.50 %) per annum calculated based on twelve 30-day months during a 360-day year.

2. Payment Dates and Amounts.

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/23/2023	-	-	-	-	-
06/15/2024	110,293.33	4.500%	26,435.75	136,729.08	136,729.08
06/15/2025	114,655.72	4.500%	22,073.36	136,729.08	136,729.08
06/15/2026	119,815.22	4.500%	16,913.85	136,729.07	136,729.07
06/15/2027	125,206.91	4.500%	11,522.17	136,729.08	136,729.08
06/15/2028	130,841.22	4.500%	5,887.85	136,729.07	136,729.07
Total	\$600,812.40	-	\$82,832.98	\$683,645.38	-

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

One (1) Wastewater Vactor Truck

VIN # _____

EXHIBIT C

RESOLUTION OF GOVERNING BODY

A resolution approving the form of the Lease/Purchase Agreement with ZIONS BANCORPORATION, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.

Whereas, The City Council (the “Governing Body”) of City of Sedona, Arizona (the “Lessee”) has determined that the leasing of the property described in the Lease/Purchase Agreement (the “Lease/Purchase Agreement”) presented at this meeting is for a valid public purpose and is essential to the operations of the Lessee; and

Whereas, the Governing Body has reviewed the form of the Lease/Purchase Agreement and has found the terms and conditions thereof acceptable to the Lessee; and

Whereas, either there are no legal bidding requirements under applicable law to arrange for the leasing of such property under the Lease/Purchase Agreement, or the Governing Body has taken the steps necessary to comply with the same with respect to the Lease/Purchase Agreement.

Be it resolved by the Governing Body of City of Sedona, Arizona as follows:

SECTION 1. The terms of said Lease/Purchase Agreement are in the best interests of the Lessee for the leasing of the property described therein.

SECTION 2. The appropriate officers and officials of the Lessee are hereby authorized and directed to execute and deliver the Lease/Purchase Agreement in substantially the form presented to this meeting and any related documents and certificates necessary to the consummation of the transactions contemplated by the Lease/Purchase Agreement for and on behalf of the Lessee. The officers and officials of the Lessee may make such changes to the Lease/Purchase Agreement and related documents and certificates as such officers and officials deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The officers and officials of the Governing Body and the Lessee are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement.

Adopted and approved this _____ day of _____, 2023.

By _____

Print Name _____

Title _____

Attest:

By _____

Print Name _____

Title _____

STATE OF ARIZONA

)

) ss.

COUNTY OF YAVAPAI

)

I, _____ hereby certify that I am the duly qualified and acting
_____ of City of Sedona, Arizona (the "Lessee").
(Title)

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the governing body including a Resolution adopted at said meeting held on June __, 2023, as said minutes and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on _____, 2023.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this _____ day of _____, 2023.

By _____

Print Name _____

Title _____

EXHIBIT D
Opinion of Lessee's Counsel

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

As counsel for City of Sedona, Arizona (“Lessee”), I have examined duly executed originals of the Lease/Purchase Agreement (the “Lease”) dated this 23rd day of June, 2023, between the Lessee and ZIONS BANCORPORATION, N.A., Salt Lake City, Utah (“Bank”), and the proceedings taken by Lessee to authorize and execute the Lease (the “Proceedings”). Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Arizona (the “State”).
2. The Lease and the Proceedings have been duly adopted, authorized, executed, and delivered by Lessee, and do not require the seal of Lessee to be effective, valid, legal, or binding.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Proceedings were adopted and the Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable against Lessee in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditor's rights generally.
5. Either there are no usury laws of the State applicable to the Lease, or the Lease is in accordance with and does not violate all such usury laws as may be applicable.
6. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property (as defined in the Lease) from the Bank under the Lease, or the acquisition and leasing of the Leased Property from the Bank under the Lease comply with all such procurement and public bidding laws as may be applicable.
7. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
8. The adoption, execution and/or delivery of the Lease and the Proceedings, and the compliance by the Lessee with their provisions, will not conflict with or constitute a breach of or default under any court decree or order or any agreement, indenture, lease or other instrument or any existing law or administrative regulation, decree or order to which the Lessee is subject or by which the Lessee is or may be bound.
9. Although we are not opining as to the ownership of the Leased Property or the priority of liens thereon, it is also our opinion that the Security Documents attached as Exhibit E to the Lease are sufficient in substance, form, and description, and indicated place, address, and method of filing and/or recording, to completely and fully perfect the security interest in every portion of the Leased Property granted under the Lease, and no other filings and/or recordings are necessary to fully perfect said security interest in the Leased Property.

Attorney for Lessee

EXHIBIT E

SECURITY DOCUMENTS

[Attach a Certificate of Title showing ZIONS BANCORPORATION, N.A. as the lien holder]

EXHIBIT F

DELIVERY AND ACCEPTANCE CERTIFICATE

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

Reference is made to the Lease/Purchase Agreement between the undersigned (“Lessee”), and ZIONS BANCORPORATION, N.A. (the “Bank”), dated June 23, 2023 , (the “Lease”) and to that part of the Leased Property described therein which comprises personal property (collectively, the “Equipment”). In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that the Bank is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
4. The vehicle identification number for each item of Equipment which is set forth on Exhibit “B” to the Lease is correct.

This certificate shall not be considered to alter, construe, or amend the terms of the Lease.

Lessee:

CITY OF SEDONA, ARIZONA

By: _____
(Authorized Signature)

Date: _____

EXHIBIT G

ESCROW AGREEMENT

[Attach Escrow Agreement]

FORM OF ESCROW AGREEMENT

This Escrow Agreement (this “Agreement”) dated June 23, 2023, by and among ZIONS BANCORPORATION, N.A., a national banking association (hereinafter referred to as “Lessor”), CITY OF SEDONA, AZ, a body politic and corporate of the State of Arizona (hereinafter referred to as “Lessee”), and ZIONS BANCORPORATION, National Association, a national banking association (hereinafter referred to as “Escrow Agent”).

Reference is made to that certain Lease/Purchase Agreement, dated June 23, 2023, between Lessor and Lessee (hereinafter referred to as the “Lease”), covering the acquisition and lease of certain Leased Property described therein (the “Leased Property”). It is a requirement of the Lease that the Acquisition Amount be deposited with the Escrow Agent hereunder for the purpose of providing a mechanism for the application of such amounts to the payment of Leased Property costs.

The parties agree as follows:

1. Creation of Escrow Account.

(a) There is hereby created a special trust fund to be known as the “City of Sedona, AZ Escrow Account” (the “Escrow Account”) to be held in trust by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof. On the date hereof, from proceeds of the Lease, Lessor has caused the amount of \$600,812.40 to be transferred to Escrow Agent for deposit into the Escrow Account.

(b) The Escrow Agent shall invest and reinvest moneys on deposit in the Escrow Account in Qualified Investments in accordance with written instructions received from Lessee. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Escrow Agent for the reinvestment of any maturing investment. Accordingly, neither the Escrow Agent nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Escrow Account, and Lessee agrees to and does hereby release the Escrow Agent and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Escrow Account shall become part of the Escrow Account, and gains and losses on the investment of the moneys on deposit in the Escrow Account shall be borne by the Escrow Account. The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Escrow Account and is not a trustee or a fiduciary to Lessee. The Escrow Agent shall not be responsible for any market decline in the value of the Escrow Account and has no obligation to notify Lessor and Lessee of any such decline or take any action with respect to the Escrow Account, except upon specific written instructions stated herein. For purposes of this agreement, “Qualified Investments” means any investments which meet the requirements of the investment of public funds by Lessee in accordance with applicable Arizona law and any applicable policy that the governing body of the Lessee has adopted with respect to the investment of public funds.

(c) Lessee covenants that all investments of amounts deposited in the Escrow Account or other fund containing gross proceeds of the Lease will be acquired, disposed of and valued at the fair market value thereof. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”) will be valued at their present value. Terms used in this subsection (c) shall have the meanings given them in the applicable provisions of the Code.

(d) Unless the Escrow Account is earlier terminated in accordance with the provisions of paragraph (e) below, amounts in the Escrow Account shall be disbursed by the Escrow Agent in payment of amounts described in Section 2 hereof upon receipt of written authorization(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Escrow Account are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Leased Property. Any moneys remaining in the Escrow Account on or after the date on which Lessee executes the Delivery and Acceptance Certificate shall be applied as provided in Section 4 hereof.

(e) The Escrow Account shall be terminated at the earliest of (i) the final distribution of amounts in the Escrow Account (including delivery to Lessor by Lessee of an executed Delivery and Acceptance Certificate contained in the Lease), or (ii) written notice given by Lessor of the occurrence of a default or non-appropriation of the Lease.

(f) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith. In the event conflicting instructions as to the disposition of all or any portion of the Escrow Account are at any time given by Lessor and Lessee, the Escrow Agent shall abide by the instructions or entitlement orders given by Lessor without consent of the Lessee.

(g) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, Lessee agrees to and does hereby release and indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, does to the extent permitted by law indemnify the Escrow Agent against any and all expenses; including reasonable attorneys’ fees and the cost of defending any action, suit or proceeding or resisting any claim.

(h) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys’ fees, in connection with such civil action, and shall be fully

protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

(i) The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct.

(j) Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for extraordinary administration of the Escrow Account and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor and Lessee concerning the Escrow Account.

(k) The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation (the "Effective Date"), which shall be a date not less than 90 days after such notice is delivered to an express carrier, charges prepaid, unless an earlier resignation date and the appointment of a successor shall have been approved by the Lessee and Lessor. After the Effective Date, the Escrow Agent shall be under no further obligation except to hold the Escrow Account in accordance with the terms of this Agreement, pending receipt of written instructions from Lessor regarding further disposition of the Escrow Account.

(l) The Escrow Agent shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no fiduciary or implied duties, responsibilities or obligations shall be read into this Agreement.

2. Acquisition of Property.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Leased Property, with moneys available in the Escrow Account. Lessee represents the estimated costs of the Leased Property are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Leased Property, and the operation and maintenance thereof.

(b) Authorized Escrow Account Disbursements. Disbursements from the Escrow Account shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the Leased Property Costs and any delivery costs.

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and

the name of the person, firm or corporation to whom payment thereof is due. Each such requisition shall be signed by Heidi Weber (including her successors or anyone whom she or her successors may appoint to sign) of Lessee (an "Authorized Representative") and by Kirsi Hansen or her designees of Lessor, and shall be subject to the following:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule 1 certifying that:

(i)(A) an obligation in the stated amount has been incurred by Lessee, and that the same is a proper charge against the Escrow Account for costs relating to the Leased Property identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof); (B) the Leased Property relating to such obligation has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by Lessee, and (C) Lessee has conducted such inspection and/or testing of the Leased Property relating to such obligation as it deems necessary and appropriate in order to determine the Leased Property's capability and functionality in order to accept such Leased Property; (ii) the Lessee has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made; (iii) such requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date of such certificate, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee); (iv) the Leased Property is insured in accordance with the Lease; (v) no Event of Default (nor any event which, with notice or lapse of time or both, would become an Event of Default) has occurred and is continuing; (vi) no material adverse change in Lessee's financial condition has occurred since the date of the execution of the Lease; and (vii) the representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof; and

2. Delivery to Lessor invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement); bills of sale (if title to such Leased Property has passed to Lessee); a description, and serial and/or VIN number for each item and any additional documentation reasonably requested by Lessor; and
3. In the case of the final distribution from the Escrow Account, delivery to Lessor a properly executed Delivery and Acceptance Certificate as required by the Lease.

3. Deposit to Escrow Account. Upon execution of the Lease and the satisfaction of any conditions specified in the Lease or otherwise, Lessor will cause the Acquisition Amount of \$600,812.40 to be deposited into the Escrow Account. Lessee agrees to pay any costs with respect to the Leased Property in excess of amounts available therefor in the Escrow Account and to pay delivery costs in excess of amounts available therefor in the Escrow Account; provided, however,

that any amount required for either such purpose shall be payable solely from moneys that have been appropriated by Lessee for such purpose.

4. Excessive Escrow Account. Any funds remaining in the Escrow Account on or after the date on which Lessee executes the Delivery and Acceptance Certificate, or upon a termination of the Escrow Account as otherwise provided herein, shall be delivered by the Escrow Agent to Lessor, and Lessor shall apply such funds to amounts owed under the Lease.

5. Security Interest. The Escrow Agent and Lessee acknowledge and agree that the Escrow Account and all proceeds thereof are being held by Escrow Agent for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Escrow Account and all proceeds thereof, and all investments made with any amounts in the Escrow Account. If the Escrow Account or any part thereof, is converted to investments as set forth in this agreement, such investments shall be made in the name of Escrow Agent and the Escrow Agent hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have possession of such investments for the purpose of perfecting its security interest.

6. Control of Escrow Account. In order to perfect Lessor's security interest by means of control in (i) the Escrow Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Escrow Account, (iii) all of Lessee's rights in respect of the Escrow Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Escrow Agent further agree as follows:

(a) All terms used in this Section 6 which are defined in the Uniform Commercial Code of the State of Arizona ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor if any person

requests Escrow Agent to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Escrow Agent may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Escrow Account, but will not, without the prior written consent of Lessor, allow Lessee to withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Escrow Account shall be treated as a financial asset under such section of the Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 7 below, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Escrow Account statements or reports issued or sent to Lessee with respect to the Escrow Account.

7. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

- 8. Fee Schedule; Initial Fee. \$1,500.00.
- 9. Miscellaneous.

(a) Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This agreement may not be amended except in writing signed by all parties hereto. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to Lessor: ZIONS BANCORPORATION, N.A.
 1 South Main Street 17th Floor
 Salt Lake City, UT 84133
 Attn: Jon Dunfield, Vice President

If to Lessee: City of Sedona, AZ
 102 Roadrunner Drive
 Sedona, AZ 86336
 Attn: Heidi Weber, Procurement Officer

If to Escrow Agent: ZIONS BANCORPORATION, National Association
 Corporate Trust Department
 6001 North 24th Street, Bldg. B
 Phoenix, AZ 85016
 Attn: Pamela Saucer, Asst. Vice President

(b) As required by the provisions of Arizona Revised Statutes Section 38-511, as amended, notice is hereby given that the District may, within three (3) years of the execution hereof, cancel this Agreement without penalty or further obligations, if any person significantly involved in initiating, negotiation, securing, drafting or creating this Agreement on behalf of the District is, at any time while this Agreement or any extension of this Agreement is in effect, an employee or agent of the Escrow Agent or a consultant to the Escrow Agent with respect to the subject matter of this Agreement. The cancellation shall be effective when written notice from the District is received by the Escrow Agent unless the notice specifies a later time.

(c) To the extent applicable and except as stated below, pursuant to the provisions of the Section 41-4401 of the Arizona Revised Statutes, and in accordance with federal law and Escrow Agent's practice, Escrow Agent hereby warrants and certifies that Escrow Agent complies with the Immigration Reform and Control Act of 1986 and employment with the Escrow Agent is contingent on the successful completion of the I-9 verification process and the E-Verify requirements of Section 23-214(A) of the Arizona Revised Statutes. Such employment with

Escrow Agent is not contingent on any of the other requirements of Section 23-214(A). Escrow Agent does not knowingly employ any individuals in the United States who are not legally authorized to work in the United States. For associate confidentiality reasons, Escrow Agent generally does not disclose or allow the inspection of its personnel records of its associates to third parties, including I-9 or e-Verify documentation. However, if there are concerns about an individual's eligibility to perform work in connection with this Agreement, please contact Lessor in accordance with Section 9 (a) of this Agreement and Lessor will investigate and respond to these concerns.

(d) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Escrow Agent hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Section 35-393, Arizona Revised Statutes. If it is determined that Escrow Agent’s certification above is false or that it has breached such agreement, Lessee may impose remedies as provided by law.

In Witness Whereof, the parties have executed this Escrow Agreement as of the date first above written.

ZIONS BANCORPORATION, N.A.
as Lessor

CITY OF SEDONA, AZ
as Lessee

By: _____
Lee Davis, Vice President

By: _____
_____, Mayor

ZIONS BANCORPORATION, National Association
as Escrow Agent

By: _____
Pamela Saucer, Asst. Vice President

SCHEDULE 1

TO THE ESCROW AGREEMENT

FORM OF DISBURSEMENT REQUEST

Re: Lease/Purchase Agreement, dated June 23, 2023 (the “Lease”), between ZIONS BANCORPORATION, N.A., as Lessor, and CITY OF SEDONA, AZ, as Lessee (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow Agreement, dated June 23, 2023 (the “Escrow Agreement”) by and among ZIONS BANCORPORATION, N.A., a national banking association (“Lessor”), CITY OF SEDONA, AZ (“Lessee”) and ZIONS BANCORPORATION, National Association, (the “Escrow Agent”), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Account created under the Escrow Agreement for the following purposes:

PAYEE’S NAME AND ADDRESS	INVOICE NUMBER	DOLLAR AMOUNT	PURPOSE (INCLUDE SERIAL AND/OR VIN NUMBER)

The undersigned hereby certifies as follows:

(i) The date on which “acceptance” occurred with respect to the portion of the Leased Property for which disbursement is hereby requested is _____, and such portion of Leased Property is hereby accepted by Lessee for all purposes of the Lease.

(ii) An obligation in the stated amount has been incurred by Lessee, and the same is a proper charge against the Escrow Account for costs relating to the Leased Property identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof), and the Leased Property relating to such obligation has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by Lessee. Lessee has conducted such inspection and/or testing of the Leased Property relating to such obligation as it deems necessary and appropriate in order to determine the

Leased Property's capability and functionality in order to accept such Leased Property. Attached hereto is the original invoice with respect to such obligation.

(iii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Leased Property is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vii) No material adverse change in Lessee's financial condition shall have occurred since the date of the execution of the Lease.

(viii) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

Dated: _____

By: _____
Authorized Representative

Disbursement of funds from the Escrow Account in accordance with the foregoing Disbursement Request hereby is authorized

ZIONS BANCORPORATION, N.A.,
as Lessor under the Lease

By: _____
Name: _____
Title: _____

**LINKING
AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
ARIZONA WASTEWATER
INDUSTRIES, INC.**

THIS LINKING AGREEMENT (this “Agreement”) is entered into as of this ____ day of June, 2023 (the “Effective Date”), between the **City of Sedona**, an Arizona municipal corporation (the “City”), and **Arizona Wastewater Industries, Inc.** (“Contractor”), collectively, the “Parties.”

RECITALS

- A. On November 24, 2021, Sourcewell, entered into a contract with Sewer Equipment Co. of America to purchase the goods and services described in the **Sewer Equipment, RFP #101221** (“Cooperative Purchasing Agreement”), which is attached hereto as **Exhibit A**. The Cooperative Purchasing Agreement permits its cooperative use by other governmental agencies including the City and lists **Arizona Wastewater Industries, Inc.** as an authorized dealer of Sewer Equipment Co. of America.
- B. Sedona City Code (SCC) Section 3.05.020.C. permits the City to procure goods and services without the formal bidding process by participating with other governmental units in cooperative purchasing agreements when the best interests of the City would be served.
- C. The City desires to contract with Contractor for supplies or services identical, or nearly identical, to the supplies or services Contractor is providing other units of government under the Cooperative Purchasing Agreement. Contractor consents to the City’s utilization of the Cooperative Purchasing Agreement as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the supplies and services set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the covenants and promises contained in this Linking Agreement, the parties agree as follows:

- 1. Term of Agreement. The City is purchasing supplies and/or services from Contractor pursuant to the Cooperative Purchasing Agreement. According to the Cooperative Purchasing Agreement, purchases can be made by governmental entities from the date of award, which was November 24, 2021, until the date the contract expires on November 29, 2025, unless the term of the Cooperative Purchasing Agreement is extended by the mutual agreement of the original contracting parties. The Cooperative Purchasing Agreement, however, may not be extended beyond November 29, 2026. The initial period of this Agreement, therefore, is the period from the **Effective Date of this Agreement until June 30, 2025**. Renewals of this Agreement are not automatic and shall only occur if the City gives the Contractor notice of its intent to renew. The City may give the Contractor notice of its intent to renew this Agreement 30 days prior to the anniversary of the Effective Date to effectuate such renewal.

2. Scope of Work; Terms, Conditions, and Specifications.

- A. Contractor shall provide City the supplies and/or services identified in the Scope of Work attached as **Exhibit B**.
- B. Contractor agrees to comply with all the terms, conditions, and specifications of the Cooperative Purchasing Agreement. Such terms, conditions, and specifications are specifically incorporated into and are an enforceable part of this Agreement except as otherwise provided herein. In the event of any inconsistency or conflict between this Agreement, the Cooperative Purchasing Agreement, and any other document or Agreement between the parties with respect to the subject matter hereof, the terms and conditions of this Agreement shall prevail and govern to the extent necessary to remedy such inconsistency or conflict.

3. Compensation.

- A. City shall pay Contractor compensation at the same rate and on the same schedule as provided in the Cooperative Purchasing Agreement attached hereto as **Exhibit A**.
- B. The total purchase price for the supplies and/or services purchased under this Agreement shall not exceed **Six Hundred Thousand, Eight Hundred Twelve and Forty Cents (\$600,812.40)**.
- C. Invoices are due and payable upon receipt and are delinquent only thirty (30) days after the date received by the City. Each invoice shall set forth a general description of the work performed, in accordance with the scope of work, for the items billed.

4. Cancellation; Termination. This Agreement may be cancelled pursuant to A.R.S. § 38-511. Either party may voluntarily terminate and cancel this Agreement effective upon the expiration of thirty (30) calendar days-notice provided to the other.

5. Non-discrimination. Contractor must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

6. Insurance. The Contractor agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverages as required by the City prior to commencement of work. The Contractor shall submit to the City before any work is performed, certificates of insurance from the Contractor's insurance carriers indicating the presence of coverages and limits of liability as follows:

- A. Commercial General Liability Insurance (Occurrence Form) with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate. **This policy shall include an Additional Insured endorsement.**
- B. Worker's Compensation Insurance:

- Coverage A: Statutory benefits as required by the Labor Code of the State of Arizona.
 - Coverage B: Employer's Liability
 - Bodily Injury by accident \$1,000,000.00 each accident
 - Bodily Injury by disease \$1,000,000.00 policy limit
 - Bodily Injury by disease \$1,000,000.00 each employee
- C. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the Contractor's owned, hired or non-owned automobiles assigned to or used in the performance of the Services. Certificate to reflect coverage for "Any Auto, All Owned, Scheduled, Hired or Non-Owned."

A Certificate of Insurance shall be completed by the Contractor's insurance agent(s) as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect, and shall be subject to review and approval by the City. The Certificate shall identify this Contractor and shall provide coverages afforded under the policies shall not be cancelled, terminated, or limits reduced until at least thirty (30) days prior written notice has been given to the City. The completed Certificate of Insurance shall be sent to:

City of Sedona
 102 Roadrunner Drive
 Sedona, AZ 86336
 ATTN: City Clerk

Failure on the part of the Contractor to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a Material Breach of this Agreement upon which the City may immediately terminate this Agreement.

All policies shall provide primary coverage and **waivers of subrogation by endorsement** or otherwise. A waiver of subrogation shall be effective as to any person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay for the insurance premium directly or indirectly and whether or not the person or entity had an insurable interest in the property damaged.

7. E-verify. Contractor agrees to comply with all federal and state immigration laws including but not limited to A.R.S. § 23-214 and A.R.S. § 41-4401.
8. No Boycott of Israel or Use of Forced Labor of Ethnic Uyghurs in People's Republic of China. As applicable, Contractor certifies and agrees it is not currently engaged in and for the duration of the Agreement will not engage in a boycott of Israel, as that term is defined in A.R.S. §35-393 and will not use forced labor or goods or services produced by forced labor of ethnic Uyghurs in the People's Republic of China (PRC) or any contractors, subcontractors or suppliers that use forced labor or goods or services produced by forced labor of ethnic Uyghurs in the PRC as provided by A.R.S. §35-394.
9. Appropriation of Funds. Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this

Agreement may be terminated by the CITY at the end of the period for which funds are available. No liability shall accrue to the CITY in the event this provision is exercised, and CITY shall not be obligated or liable for any future payments or for any damages resulting from termination under this provision.

10. Venue; Jurisdiction. This Agreement shall be governed by the laws of the State of Arizona, and any legal action concerning the provisions hereof shall be brought in the County of Yavapai, State of Arizona.
11. Attestation of PCI Compliance. When applicable, the Contractor will provide the City annually, with a Payment Card Industry Data Security Standard (PCI DSS) attestation of compliance certificate signed by an officer of Contractor, with oversight responsibility.
12. Notices. Any notices that must be provided under this Agreement shall be sent to the Parties' respective authorized representatives at the address listed below:

City of Sedona

c/o Heidi Weber
102 Roadrunner Drive
Sedona, Arizona 86336
Phone: (928) 203-5040
Email: HWeber@SedonaAZ.gov

And

Arizona Wastewater Industries, Inc.

c/o Aaron Mickle
3201 W. Virginia Ave., Suite #3
Phoenix, AZ 85009
Phone: (602) 778-9359
Email: amickle@azwastewaterindustries.com

(Signatures to follow on next page.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

CONTRACTOR:

ARIZONA WASTEWATER INDUSTRIES, INC.

By _____

Its _____

Date _____

CITY:

CITY OF SEDONA, a municipal corporation of the State of Arizona

Karen Osburn, City Manager

Date _____

ATTEST:

By: _____
JoAnne Cook, City Clerk

APPROVED AS TO FORM:

By: _____
Kurt W. Christianson, City Attorney

**LINKING AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
ARIZONA WASTEWATER
INDUSTRIES, INC.**

**EXHIBIT A
Cooperative Purchasing Agreement**

(Sourcewell, Sewer Equipment, Contract No. 101221-SCA, from RFP No. 101221-SCA.)

'EXHIBIT A'

**Solicitation Number: RFP #101221****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Sewer Equipment Co. of America, 1590 Dutch Rd., Dixon, IL 61021 (Supplier).

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

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

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires November 29, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

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

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

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

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

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

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

3. PRICING

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

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

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

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

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

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

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

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

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

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

4. PRODUCT AND PRICING CHANGE REQUESTS

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

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

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

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

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

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

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

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

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

6. PARTICIPATING ENTITY USE AND PURCHASING

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

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

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

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

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

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

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

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

7. CUSTOMER SERVICE

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

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

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

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

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

The Report must contain the following fields:

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

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

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

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

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

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

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

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

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

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

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

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

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

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

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

11. INDEMNITY AND HOLD HARMLESS

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

12. GOVERNMENT DATA PRACTICES

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

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

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

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

3. Use; Quality Control.

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

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

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

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

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

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

14. GOVERNING LAW, JURISDICTION, AND VENUE

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

15. FORCE MAJEURE

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

16. SEVERABILITY

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

17. PERFORMANCE, DEFAULT, AND REMEDIES

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

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

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

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

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

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

18. INSURANCE

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

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

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

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

Minimum limits:

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

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

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

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

Minimum Limits:

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

\$1,000,000 Personal and Advertising Injury

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

\$2,000,000 general aggregate

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

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

Minimum Limits:

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

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

Minimum Limits:

\$2,000,000

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

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

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

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

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

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

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

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

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

19. COMPLIANCE

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

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

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22. CANCELLATION

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

Sourcwell

Sewer Equipment Co. of America

DocuSigned by:
Jeremy Schwartz
By: C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 11/23/2021 | 8:44 PM CST

DocuSigned by:
Shawn Bondele
By: B5011C400B714B6...
Shawn Bondele
Title: Inside Sales Manager
Date: 11/23/2021 | 4:13 PM EST

Approved:

DocuSigned by:
Chad Coauette
By: 7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO
Date: 11/24/2021 | 6:48 PM CST

RFP 101221 - Sewer Vacuum, Hydro-Excavation, and Municipal Pumping Equipment with Related Accessories and Supplies

Vendor Details

Company Name: Sewer Equipment Co. of America
Does your company conduct business under any other name? If yes, please state: IL
Address: 1590 Dutch Road
DIXON, IL 61021
Contact: Shawn Bondele
Email: shawnbondele@sewerequipment.com
Phone: 815-835-5623
Fax: 815-284-0452
HST#: 36-2786536

Submission Details

Created On: Wednesday August 25, 2021 07:50:30
Submitted On: Monday October 11, 2021 15:11:12
Submitted By: Shawn Bondele
Email: shawnbondele@sewerequipment.com
Transaction #: 44e1e7e4-e719-4802-a155-e76c8332dafc
Submitter's IP Address: 98.142.194.242

Specifications

Table 1: Proposer Identity & Authorized Representatives

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

Line Item	Question	Response *
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Sewer Equipment Co. of America
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Rock Rentals
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Sewer Equipment
4	Proposer Physical Address:	1590 Dutch Rd., Dixon, IL 61021
5	Proposer website address (or addresses):	www.sewerequipment.com, www.rock-rental.com, www.sewershop.com
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Shawn Bondele Inside Sales Manager 1590 Dutch Rd. Dixon, IL 61021 shawnbondele@sewerequipment.com 815-835-5566
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Shawn Bondele Inside Sales Manager 1590 Dutch Rd. Dixon, IL 61021 shawnbondele@sewerequipment.com 815-835-5566
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Tom Hochmuth Regional Sales Manager 1590 Dutch Rd. Dixon, IL 61021 tomhochmuth@sewerequipment.com 815-342-1700 Vanessa Gomez Inside Sales Coordinator 1590 Dutch Rd. Dixon, IL 61021 vanessagomez@sewerequipment.com 815-835-5566

Table 2: Company Information and Financial Strength

Line Item	Question	Response *															
9	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>"Best Product, Best Local Support" is a promise to our customers and is also a tagline that acts as a guiding principle to us each day. We have long been known for robust and innovative products that focus on simplicity, an increasingly rare characteristic in our marketplace. Sewer Equipment is also unique among manufacturers for our breadth of product, which ultimately allows our salespeople and distributors to sell in a consultative fashion. No other manufacture provides full size combination (jet/vacuum) trucks, mini combo trucks, water recycling combo trucks, truck and trailer jets both large and small, rodders, easement machines, and accessories for sewer cleaning applications as well as purpose built hydro excavation and air excavation trucks of all sizes.</p> <p>Our 76-year history has been one of growth and meaningful innovation. In 1941, our founder, H.T. O'Brien, developed the idea of using a rotating, spring tipped rod for cleaning drains in buildings, and a company was born. Throughout the 1940's and into the 1960's, O'Brien Manufacturing refined and expanded this principle to include trailer mounted rodders for cleaning mainline sewer pipes – these rodders were the predecessors of today's sewer jettors. The late 1960's saw the advent of modern-day sewer jet trucks and water powered rotating root cutters by O'Brien. O'Brien Manufacturing was sold in the early 70's and Sewer Equipment Company of America was opened by Jim O'Brien, son of the founder. The company grew from accessory sales to the manufacture of rodders, bucket machines, vacuum trailers, and truck and trailer jettors. In the mid 2000's we began manufacturing an extensive line of hydro excavating trucks and trailers. In 2012, the company was moved from a 37,000 sq/ft manufacturing facility in Chadwick IL to a 122,000 sq/ft plant in Dixon IL to accommodate our growth. This move allowed us to begin producing the 900-ECO combination sewer cleaner 2015. In the 6 years since its release, the 900-ECO has achieved approximately a 13% share of this hotly contested segment, measured in annual new truck sales in the US. In the last 4 years, we have also released the 400-ECO mini combo truck, the Genesis water recycling combo, and the AX-4000 air excavator truck. May of 2021 marked the completion of our 9000th piece of "big equipment" in company history.</p>															
10	What are your company's expectations in the event of an award?	We would immediately schedule a video conference meeting with all distributor sales personnel, reiterating the terms of the contract and calling attention to any changes. This would be followed up with in person reviews as well as e-mail / social media blasts to dealers and end users. We would remain the sole source of responsibility for this contract and would handle all order entry and reporting tasks required by the contract as we currently do.															
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Sewer Equipment has a consistent track record of growth and profitability. The company's past performance assures ample resources to enhance our product offerings for the markets we serve. Sewer Equipment maintains insurance coverage that is customary for the business being conducted. (Attachment – 11-2020 Sewer Equipment Co....., 11 – Huntington National Bank....., 11 – 2021-2022 Sewer Equipment COI)															
12	What is your US market share for the solutions that you are proposing?	<p>Our US Market Share data listed here for combination trucks, truck jets, and hydro excavation trucks is based on data reporting through the American Association of Equipment Manufacturers.</p> <table border="1"> <tr> <td>Combination Sewer Cleaners</td> <td>(2018) 6.4%</td> <td>(2019) 7.1%</td> <td>(2020) 14%</td> <td>(2021y.t.d.) 13.3%</td> </tr> <tr> <td>Truck Jets</td> <td>(2018) 58.5%</td> <td>(2019) 8%</td> <td>(2020) 44.6%</td> <td>(2021y.t.d.) 31.7%</td> </tr> <tr> <td>Hydro-Excavation Trucks</td> <td>(2018) 5.9%</td> <td>(2019) 9.3%</td> <td>(2020) 6.9%</td> <td>(2021y.t.d.) 8.1%</td> </tr> </table>	Combination Sewer Cleaners	(2018) 6.4%	(2019) 7.1%	(2020) 14%	(2021y.t.d.) 13.3%	Truck Jets	(2018) 58.5%	(2019) 8%	(2020) 44.6%	(2021y.t.d.) 31.7%	Hydro-Excavation Trucks	(2018) 5.9%	(2019) 9.3%	(2020) 6.9%	(2021y.t.d.) 8.1%
Combination Sewer Cleaners	(2018) 6.4%	(2019) 7.1%	(2020) 14%	(2021y.t.d.) 13.3%													
Truck Jets	(2018) 58.5%	(2019) 8%	(2020) 44.6%	(2021y.t.d.) 31.7%													
Hydro-Excavation Trucks	(2018) 5.9%	(2019) 9.3%	(2020) 6.9%	(2021y.t.d.) 8.1%													
13	What is your Canadian market share for the solutions that you are proposing?	<p>Our Canadian Market Share data listed here for combination trucks, truck jets, and hydro-excavation trucks is based on data reporting through the American Association of Equipment Manufacturers.</p> <table border="1"> <tr> <td>Combination Sewer Cleaners</td> <td>(2018) 1.7%</td> <td>(2019) 2.0%</td> <td>(2020) 7.7%</td> <td>(2021y.t.d.) 7.5%</td> </tr> <tr> <td>Truck Jets</td> <td>(2018) 66.7%</td> <td>(2019) 42.9%</td> <td>(2020) 75%</td> <td>(2021y.t.d.) 75%</td> </tr> <tr> <td>Hydro-Excavation Trucks</td> <td>(2018) 2.1%</td> <td>(2019) 2.0%</td> <td>(2020) 0%</td> <td>(2021y.t.d.) 7.8%</td> </tr> </table>	Combination Sewer Cleaners	(2018) 1.7%	(2019) 2.0%	(2020) 7.7%	(2021y.t.d.) 7.5%	Truck Jets	(2018) 66.7%	(2019) 42.9%	(2020) 75%	(2021y.t.d.) 75%	Hydro-Excavation Trucks	(2018) 2.1%	(2019) 2.0%	(2020) 0%	(2021y.t.d.) 7.8%
Combination Sewer Cleaners	(2018) 1.7%	(2019) 2.0%	(2020) 7.7%	(2021y.t.d.) 7.5%													
Truck Jets	(2018) 66.7%	(2019) 42.9%	(2020) 75%	(2021y.t.d.) 75%													
Hydro-Excavation Trucks	(2018) 2.1%	(2019) 2.0%	(2020) 0%	(2021y.t.d.) 7.8%													
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Since its formation, Sewer Equipment has never petitioned for bankruptcy protection.															
15	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	As a manufacturer, our primary means of going to market is via exclusive distributors that are typically responsible for covering the municipal entities in an entire state/states, multiple provinces, or multiple countries. We have distributors in 46 States and 2 Providences in Canada, as well as 5 overseas countries. The only exception is in some states/provinces that are in a transitional phase. Distributors act on our behalf as local sales, service, training, and warranty providers. These distributor sales and service people are 3rd party employees and are looked after by regional sales managers from Sewer Equipment. Distributor service personnel work closely with, and have direct access to Sewer Equipment's warranty department, technical service department and engineering group.															
16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	<p>As a United States based company, we are an Illinois corporation registered with the Illinois Secretary of State (File No. 50370119). Our Federal Employer Identification Number is 36-2786536. Our Illinois Certificate of Resale Number is 0252-2705.</p> <p>As a manufacturing making mobile products operating on US highways, we have two dealer licenses. DL1582 for trucks and DLT1419 for trailers. Each of our Dealers also hold Dealer Licenses in their respective territories.</p> <p>Where required, Sewer Equipment is licensed as a Manufacturer or Motor Vehicle Converter including Iowa Manufacturer License No. M241, Texas Motor Vehicle Converter License No. 105517, Louisiana Motor Vehicle Converter License No. CV-2021-00122, Washington Vehicle Manufacturer License No. 08152 and Montana New Motor Vehicle Manufacturer License No. 139.</p> <p>Sewer Equipment is also a member of the National Association of Trailer Manufacturers. This assures our trailers are manufactured in accordance with all DOT and NATM guidelines.</p>															
17	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Sewer Equipment has not within the ten-year period preceding this bid been debarred or suspended from any public transactions (Federal, State, or local).															

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
18	Describe any relevant industry awards or recognition that your company has received in the past five years	<p>Sewer Equipment was awarded patent number "US 9,863,135 B2" for our Hydro-Drive system on January 9th, 2018. This Hydro-Drive System is the heart of our 900-ECO Combination Sewer Cleaner and has been a major contributor to the continued growth and success of our company.</p> <p>In the July 2021 issue of THE MUNICIPAL, Sewer Equipment was featured in an article "Moving Beyond Transactional Relationships Toward Partnerships." referencing a sale to King County, WA, where they utilized the Sourcewell Contract for the purchase and National Cooperative Lease for the financing.</p> <p>Sewer Equipment's products are in focus on almost a monthly basis in Industry Trade Publications such as CLEANER, DIG DIFFERENT, and MUNICIPAL WATER & SEWER.</p>
19	What percentage of your sales are to the governmental sector in the past three years	(2018) 47%, (2019) 52%, (2020) 53%, (2021) 54%
20	What percentage of your sales are to the education sector in the past three years	(2018) .032%, (2019) .058%, (2020) 0%, (2021) 0%
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	<p>The figures below do not include state and other local contracts that are managed by our distributors. These are only contract held directly by Sewer Equipment.</p> <p>HGAC (2018) \$361,491.00, (2019) \$496,502.00, (2020) \$0.00, (2021) \$0.00, State of Ohio (2018) \$66,914.00, (2019) \$337,639.00, (2020) \$569,970.00, (2021) \$248,523.00 Florida Sheriffs (2018) \$0.00, (2019) \$0.00, (2020) \$0.00, (2021) \$87,886.00 BuyBoard (2018) \$0.00, (2019) \$0.00, (2020) \$0.00 (2021) \$52,325.00</p>
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	<p>Sewer Equipment partners with Fedharmony on a GSA contract. We also directly hold a DLA contract.</p> <p>GSA (2018) \$0.00, (2019) \$250,619.00, (2020) \$263,271.00, (2021) \$58,479.00 DLA (2018) \$0.00, (2019) \$256,309.83, (2020) \$274,847.00, (2021) \$0.00</p>

Table 4: References/Testimonials

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

Entity Name *	Contact Name *	Phone Number *
City of Reno, NV	Zac Haffner	775-399-8692
City of Salem, OR	Jerry Smith	503-385-7560
City of Atlanta, GA	Robert Horton	404-982-1426

Table 5: Top Five Government or Education Customers

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

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *
City of Atlanta, GA	Government	Georgia - GA	Combination Sewer Cleaners	8 - 900-ECO's	\$2,171,740.00
City of Reno, NV	Government	Nevada - NV	Combination Sewer Cleaners, Truck Jets, Easement Machines	3 - 800-HPRs, 3 - 900-ECO's, 1 - JAJ-600WH	\$1,141,776.00
Snohomish County	Government	Washington - WA	Combination Sewer Cleaners	3 - 900-ECO's	\$812,988.00
City of Salem, OR	Government	Oregon - OR	Combination Sewer Cleaners	3 - 900-ECO's	\$755,912.00
City of Hamilton, ON	Government	ON - Ontario	Hydro Excavators	2 - Ramvac HX-12's	\$705,804.00

Table 6: Ability to Sell and Deliver Service

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

Line Item	Question	Response *
25	Sales force.	<p>We directly employ a national sales manager as well as an eastern, central, and western regional sales manager that are responsible for our distributor network. We employ 3 inside salespeople as well as 7 direct salespeople that serve markets that are not fully covered by distribution (primarily contractors, but also some federal agencies and education to a very small degree). Three full time demonstration specialists work with our regional sales managers and distributor salespeople to allow our customers to "try it before they buy it", which is a very important aspect of our sales program.</p>

26	Dealer network or other distribution methods.	In total, our distributor network employs approximately 140 salespeople. As a premium specialty product, our distributors are quite focused on the Sewer Equipment line, typically spending 50% or more of their efforts on our offerings. A new focus moving forward will be an intensive product and presentation technique training (SEAL - Sewer Equipment Advanced Learning) program for our distributors, with the goal being the most educated and knowledgeable sales staff in the industry. This has already begun with a dealer "walkaround" event (live product presentation), in which dealer salespeople presented several products to their peers and factory personnel and were graded for certification purposes. This program will be expanded with more events and more content in the coming years.	*
27	Service force.	(See attachment: 27 Service Distributor Map – US) As the Sewer Equipment distributor network evolves, our service presence has improved in recent years. With more professional organizations in our ranks, our number of service techs at the dealer in the US and Canada is approximately 170. Each of our distributors is required to have at least two technicians certified at Sewer University, a multi-day class that is regularly held at our Dixon IL headquarters. 99% of our customer's service needs are accommodated at the distributor level. Sewer Equipment also employs 3 mobile service technicians equipped with service trucks that fill in any gaps in service coverage and cover special projects. A relatively unique offering for customers in remote regions is our willingness to provide warranty coverage via a 3rd party repair shop of their choice or to reimburse the customer to perform simple warranty repairs themselves. This is very popular among customers in the rural western US, and is largely made possible by our simple products and factory tech support.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	As in the past, Sewer Equipment distributors will provide Sourcewell quotations to customers and will accept purchase orders from customers following Sourcewell guidelines as called out in our Quick start guide for distributors which will be updated (Attachment - 28 Quick Start Guide for dealers- Sourcewell INTERNAL - rev6 4-6-2020). Upon securing the order from the end user, the distributor will in turn place their order with Sewer Equipment and must include a copy of their customer's purchase order complete with Sourcewell discount information, customer Sourcewell number, and our Sourcewell contract number. Said in a simpler way, customers will order from their authorized distributor, and the distributor will order from Sewer Equipment as they normally would, with the exception that Sourcewell quote and order protocols will be followed.	*
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	The first and likely most important aspect of our service program is building equipment that can be worked on by the customer or a local shop. Because Sewer Equipment has consciously avoided the use of computers, circuit boards, and CANbus communication protocols in our products, a mechanic with traditional skills and a knowledge of 12-volt wiring systems can often help themselves. If the customer does not possess the skills or cannot resolve the issue on their own, they should make a call to their local distributor to schedule a service visit, or to our corporate service technicians for assistance via the phone. Our corporate, in-house customer service department is comprised of both parts sales specialists and technical support specialists that provide toll-free service and tech support 24-7 & 365 days a year to end users and distributor service groups. Depending upon the issue, many can be handled over the phone with minor adjustments to either the operator's use of the equipment or to the machine itself. Our support specialists have extensive experience in troubleshooting issues and offering solutions. If repair service and parts are required, our specialists will work with the customer and/or dealer to most quickly and easily remedy the situation. To assist in this process, each unit we build is assigned a 4 digit serial number that allows us to retrieve electronic copies of every document related to the system from the sales order to product manuals that contain as built wiring diagrams and hydraulic schematics. We stock an extensive inventory of repair parts and accessories to give expedited service to our customers. Due to our stock levels and standardization on most buy out components, we have a track record of consistently shipping 95+% parts the same day ordered. For those remaining parts, we go to our vendor suppliers for support to meet our customer and dealer network needs. In regard to response time, most customers can expect a personal visit from a dealer technician within 24 hours with some exceptions due to geographic challenges. As detailed above, technical phone support is available all day, every day.	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	All personnel, physical assets, and procedures are already in place to provide our products and product support nationwide.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are prepared and have already utilized the Sourcewell contract in Canada for a substantial transaction with Hamilton, Ontario (2 Hydro-Excavator trucks)	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Hawaii is the only geography not covered by an exclusive distributor, but we do utilize a non-exclusive reseller to facilitate service issues and the few sales that we see there.	*
33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Although we are willing and able to serve all sectors, 98-99% of our customers fall in the government segment with some tribal entities and an occasional school district or university mixed in.	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	We do not have any restrictions in regards to the contract for the States of Alaska and Hawaii.	*

Table 7: Marketing Plan

Line Item	Question	Response *
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<ul style="list-style-type: none"> • Product Literature: We display the Sourcewell contract awarded logo on our product line cards, product catalogs, and our website. See supporting document "Sewer Equipment Co. of America Full Product Line Catalog". • Website: We will highlight this in our website blog content when awarded and highlight on our social platforms. • Magazines: Collaborate with Industry Partners and Trade Publications advertise and write articles highlighting the benefits of utilizing the Sourcewell Contract. • Training on Finance Options: Promote the use of the Contract and Finance Options during our yearly Dealer Meetings. • Main Phone Line: Our on-hold message for our main Sewer Equipment phone line includes a narrative describing the contract and benefits to our customers. • Tradeshows: We display Sourcewell flags/banners at the major industry shows and our distribution (dealer) partners do as well at dozens of local shows each year. • Field: Our three regional sales managers, national sales manager, and demonstration specialists promote the contract at in person customer visits and demonstrations. Trailing has also been provided to our distribution (dealer) partners on how to also promote the contract in the field
36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Our marketing platforms include: our websites (Sewer Equipment and Rock Rental), ad campaigns through Google AdWords, LinkedIn ads, and Facebook ads, social media platforms such as LinkedIn, Facebook, and Twitter, advertising and editorial content with trade magazines, and email campaigns to established dealer networks and customers.
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	<p>We feel that Sourcewell provides the medium and Sewer Equipment supplies the product, both supplying prospects. Sourcewell's marketing efforts are important to expose municipalities to the contract and the accepted option as an alternative to the traditional bid process. Sewer Equipment's responsibility is to market our product to prospects and our distribution network.</p> <p>Integrate Into Sales Process:</p> <ul style="list-style-type: none"> • We will continue with our existing plan which is mentioned in number 35 above. In addition to what is mentioned we have additional plans already in place that we will continue with that include: <ul style="list-style-type: none"> o WWETT show, Indianapolis, February 2022: announce renewal of contract at annual dealer meeting. o Each year we present the top 3 Sourcewell dealer salespersons with monetary awards covered by Sewer Equipment. o Our secured dealer portal website includes: all Sourcewell pricing, Sourcewell quick start guide which outlines all pertinent details of our contract. o Internal quarterly sales meeting includes update on sales success regarding the contract. o When a new dealer is brought on, we allocate for 1 hour of Sourcewell training.
38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	We do not have an e-procurement system in place at this time.

Table 8: Value-Added Attributes

Line Item	Question	Response *
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	<p>Operational training is standard and provided free of charge by our distributors at time of delivery of new machines. Because a large percentage of our customers are repeat buyers, we choose to offer additional on-site operator training by a factory representative on an optional basis for those that feel they need it. Price is \$1,839.00 for the first day and \$1,370.00 for each subsequent day, including all expenses such as transportation.</p> <p>Model specific maintenance training is optional, customizable, and available on demand. This covers daily, weekly, monthly, and annual maintenance requirements as well as basic and model specific troubleshooting. This is typically 2 days at our plant and is \$943 per person. Meals and lodging are included in the price and customer is responsible for transportation.</p>
40	Describe any technological advances that your proposed products or services offer.	<p>Our primary "advancement" revolves around the principle of keeping our systems simple. Particularly in the combination truck, hydro excavator, and full-size truck jet market, nearly every manufacturer has moved to microprocessor-controlled modules that incorporate touch screens and complex digital user interfaces. We have retained the use of traditional 12-volt control systems. This makes our trucks easier and safer to run, easier to maintain without special training and tools (increasing up-time) and eliminates the obsolescence and fragility of high-tech components.</p> <p>We are in the process of manufacturing the world's only battery powered rodder for the City of Seattle sewer collections department.</p> <p>The Genesis Recycling Combination truck is an exclusive partnership with Cappellotto of Italy that allows us to offer their world leading technology of this product in North America with the sales efforts and support of our nationwide dealer network.</p> <p>Our patented Hydro Drive system utilized on our 900-ECO drives our blower and water pump in a very unique but surprisingly simple manner that offers a host of benefits. Eliminating the transfer case present in most other designs removes a potential maintenance headache, allows our truck to work in neutral offering unmatched operator safety and ease of setup, and consumes less horsepower, thus cutting fuel consumption and emissions.</p> <p>The 800-HPRTV Series IV was recently refined and is the most user friendly and productive TV/Jet combination systems in the truck and trailer market, allowing customers to TV and clean sewer lines simultaneously.</p>

41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	<p>Company</p> <p>2020 solar panel project.</p> <p>Through the Illinois Adjustable Block Program Sewer Equipment's 706.86 kW solar system is generating 11,871 REC's (Renewable Energy Credits). (attachment – 41 Sewer Equipment Solar Renewable... and attachment - 41 Illinois Adjustable...), Sewer Equipment participated in ComEd's Smart Inverter rebate program which incentivizes non-residential customers to make renewable energy investments. (attachment – 41 Smart Inverter...)</p> <p>To date, Sewer Equipment's solar charging system has saved CO2 emissions of 895,396 lbs. (attachment 41 Solar Edge summary.)</p> <p>Battery powered forklifts and material handling devices utilize solar charging</p> <p>Adoption of low VOC paints has decreased overall VOC generation despite a 10-fold increase in production in the last 10 years.</p> <p>Installation of a water recirculation system for jetter testing, saving hundreds of thousands of gallons per year.</p> <p>Recycling Program</p> <p>Utilization of reusable, steel transport skids for our locally sourced large components eliminates the need for one-use wood and plastic skids.</p> <p>Recycling of wood and cardboard shipping components</p> <p>Plant-wide paper and plastic recycling program</p> <p>Products</p> <p>The Genesis recycler combo truck can clean sewers all day without using a drop of fresh water. It processes the debris and water that is vacuumed during the operating process, using the reclaimed water for jetting.</p> <p>Our 900-ECO truck, 800HPR-ECO truck and 747-ECO trailer operating system allows the engine to operate at 30-50% lower speed while in the work mode, offering reductions in fuel use, emissions, and ambient noise.</p> <p>Our rodders are the only commonly accepted waterless sewer cleaning tools, making them popular in arid regions where water conservation is of importance. Thousands of gallons of water are saved daily versus traditional sewer jet-vac technology.</p> <p>Although traditionally gas powered, we have now developed a battery powered rodder.</p> <p>Biodegradable hydraulic fluid is offered as an option in all our systems.</p> <p>We have manufactured several CNG powered jet trucks for the Southern California Market</p>
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	<p>Sewer Equipment has not received any third-party ECO ratings specifically. However, a patent has been granted by the US Patent office for our HydroDrive system described above, as used on our 900-ECO. This system does provide fuel saving vs traditional drive systems. (Attachment 42 HydroDrive...)</p>
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	<p>We continue to receive the EDGE credit from the State of Illinois. This credit is based on the number of jobs created and retained. (Attachment 43 Edge Credit.....)</p>
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	<p>One of the most unique attributes of our offering is our unprecedented breadth of product. No other manufacturer in our marketplace offers everything from small jetters used in the plumbing segment to full size combo trucks, and everything in between. This means that our distributors can be consultants starting with assessing a customer's needs and then supplying the proper product. This also makes us one of the only suppliers of smaller products in the sewer industry that has a strong nationwide sales and service network.</p>

Table 9A: Warranty

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

Line Item	Question	Response *
45	Do your warranties cover all products, parts, and labor?	Sewer Equipment's standard warranty policy covers all items manufactured by Sewer Equipment except for wear items. Many major components are covered by their respective manufacturers warranty policy. (Attachment 45 Warranty Policy.....)
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Sewer Equipment's standard warranty policy covers 12 months or use or 2000 hours. The 2000 hours limit covers typical usage by all Municipalities.
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Sewer Equipment provides up to 3 hours of travel time for warranty reimbursement. Our Dealers pick up travel time in addition to the 3 hours as needed. Our Municipal customers do not have to pay for travel time regardless of where they are located.
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcwell participating entities in these regions be provided service for warranty repair?	Sewer Equipment has dealers that cover 46 of States in the U.S. In Canada we have dealers currently covering 4 Provinces. Our dealers cover service in these areas. For customer in other states or provinces in Canada we have two options for service. First Sewer Equipment employs direct field service personnel that we can send directly to the customers locations. We also work with third party service centers across North America that will do warranty work on Sewer Equipment products. Regardless of the customers location, we have service handled.
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Sewer Equipment assist in processing warranty claims for all purchased items covered by their respective manufacturer's warranties. For most items we handle these claims directly with the manufacturer for a seamless claim by the end user. This would be similar to claims on Sewer manufactured items. The only exception is auxiliary engines. Engine warranty claims and repairs are handled by the respective manufacturers service centers around the country. Sewer Equipment does assist with communication between the end user and the service center.
50	What are your proposed exchange and return programs and policies?	If the customer decides to return a purchased item such as a spare part, Sewer Equipment charges a 25% re-stocking fee. The customer will also be responsible for shipping charges. This policy does not apply to new custom-built equipment sold through our dealer network. Any potential return for new equipment would be negotiated with the selling dealer.
51	Describe any service contract options for the items included in your proposal.	Sewer Equipment's dealer network offers service packages for customers. These packages are priced by our dealers. For regions not supported by our dealer network, Sewer Equipment offers quarterly maintenance packages with work performed by our own Field Service Personnel. Pricing is on a case-by-case basis based on expectations of the customer.

Table 9B: Performance Standards or Guarantees

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

Line Item	Question	Response *
52	Describe any performance standards or guarantees that apply to your services	Sewer Equipment does not have any performance guarantees that apply to service. We do offer a 27/7 phone support for all service-related issues. For urgent parts needs, we typically ship 90% of orders within 24 hours.
53	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	We do not have service performance standards currently but are looking to implement a program in 2022.

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *
54	Describe your payment terms and accepted payment methods?	Sewer Equipment's payment terms for all municipal and educational Customers is Net 30. Our dealers would also utilize Net 30-day terms to their customers.
55	Describe any leasing or financing options available for use by educational or governmental entities.	Sewer Equipment utilizes and recommends NCL Government Capital for leasing options to our Municipal Customers. This has proved very useful for long term leasing arrangements. For short term rental needs, we offer rentals through our subsidiary Rock Rentals. Many of our dealers also partner with us in offering short term equipment rentals.
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Sewer Equipment and our dealers utilize our standard Sourcwell Price sheets for quoting to our customers. When a customer submits a purchase order to one of our dealers, the dealer submits a copy of the customer purchase order along with the worksheet used for quotation to us. We utilize this information to establish the Sourcwell Contract fee. All other related transaction documents are handled between our dealers and customers. See copies of our worksheets uploaded in the pricing section.
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcwell participating entities for using this process?	Sewer Equipment does not accept P-Card for payments currently.

Table 11: Pricing and Delivery

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

Line Item	Question	Response *
58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Sewer Equipment utilizes a straightforward discount off list pricing model for all our new equipment sales. This also applies to all spare parts and accessories. Pricing for all our new equipment models has been uploaded and is included with this submittal. We do not utilize SKUs for our equipment. All worksheets are identified by their model name. Pricing for all parts and accessories is not included with this submittal as the number of items is quite large. MSRP pricing for most items can be found at www.sewershop.com .
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	The Sourcwell Contract discount for all new equipment is 3% off MSRP. The discount for parts and accessories is 5% off MSRP. The discount for rentals is 3% off published rates. The buyout price for rentals if applicable is priced at 3% off MSRP. These discounts are minimums, and our dealers may provide additional discounts.
60	Describe any quantity or volume discounts or rebate programs that you offer.	Sewer Equipment does not have a standard volume discount pricing structure. However, us and our dealers will offer volume discounts as necessary on a case by case basis. When offered, these discounts are noted on the quote to be above and beyond the standard Sourcwell discount.
61	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	Sewer Equipment and/or our dealers will provide non-standard items to be mounted on our equipment at request of our customers. These items are quoted on a case-by-case basis and are considered part of our product. These non-standard items are subject to the Sourcwell discount. Sewer Equipment and/or our dealers will also supply chassis for our truck mounted models. These chassis are currently being quoted at cost on a case by case basis due to pricing influx in the market. We consider these items to be "pass-thru" items and are not subject to Sourcwell discounts or fee reporting.
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Items that can be included on a quotation to a customer but are not on our pricing worksheet or discussed in the above sections include the following. Dealer supplied freight, training, and pre-delivery inspections. These items are not subject to Sourcwell Discount or fee reporting.
63	If freight, delivery, or shipping is an additional cost to the Sourcwell participating entity, describe in detail the complete freight, shipping, and delivery program.	Sewer Equipment charges freight from our Dixon, IL location to our Dealers location. We charge freight on a per mile bases. Our dealers may impose an additional charge for freight from their location to the customers location depending on location. That is a separate charge as listed in question 62.
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	For freight charges to customers located outside of the continental United States or Canada, we will with our freight broker to establish the lowest price options for our customers. Our customers are also welcomed to take on the freight responsibility themselves.
65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	We do not currently offer any unique freight programs other that what is listed above.

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	Sewer Equipment has always offered a discount from list price on the Sourcwell Contract.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	<p>Our Sourcewell pricing worksheets are accessible for download on our dealer website. This assures that our dealer sales staff have access to the correct price pages. These contract specific price sheets have the 3% minimum discount already listed to prevent error.</p> <p>Sewer Equipment audits every incoming order to determine if our Dealers have sold it via the Sourcewell Contract. If it was determined it was a Sourcewell sale, we verify all contract pricing via our worksheet and the customer purchase order. Every customer purchase order utilizing the Sourcewell contract must list their Sourcewell membership number and Sewer Equipment's contract number. Upon confirming the order is purchased via the contract, we document every order on an Excel spreadsheet. This spreadsheet tracks contract sell price, contract fee, and so on. Our Accounting Department audits this spreadsheet on every order that is completed before shipping. We also identify the use of the contract on our order tracking database for an easy to access record of all Sourcewell orders.</p> <p>For fee reporting and remittance we have a dedicated person in our Accounting Department that audits the Sourcewell Orders spreadsheet and reports sales on a quarterly basis. Fees are paid based on this quarterly reporting.</p>
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	We continually monitor contract usage against overall sales volumes through our Dealerships. We track and award the highest grossing dealer salesperson that utilizes the Sourcewell Contract on a yearly basis during our dealer awards ceremony. It should be noted that the Sourcewell Contract is the only contract where we offer this award. We also compare the Sourcewell contract against competing national contracts and dealer held state contracts. These comparisons help us to put emphasis on training dealer sales staff.
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	<p>Sewer Equipment will pay an administrative fee to Sourcewell based on 1% of the Sourcewell sell price to the customer. This 1% fee is paid on our equipment, spare parts, and accessories. We do not pay the administrative fee on chassis which are considered a pass thru with our units. We will also pay the 1% administrative fee on all rental billings limited to 18 months and to buyouts of rentals based on the negotiated buyout price.</p> <p>The fees are calculated and paid on a quarterly basis.</p>

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

Line Item	Question	Response *
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<p>Sewer Equipment is offering an extensive range of equipment that all fall into the Sewer Vacuum, & Hydro-Excavation Category on this proposal. Our list of offered equipment is as follows....</p> <ul style="list-style-type: none"> • Our models 400-ECO & 900-ECO Combination Sewer Cleaners • Our Genesis Recycler Sewer Cleaner • Our Mongoose Series of Truck and Trailer Jetters • Our 545 & 747 Series of Truck and Trailer Jetters • Our 800 Series Truck Jetters • Our Ramvac Series Hydro Excavation Trucks • Or Ramvac Series Air Excavation Trucks. • Our JAJ Series of Easement Machines for Sewer Cleaning • Our 444, 866 & 877 Rodders for Sewer Cleaning • Spare parts and Accessories for above listed equipment. • Our Rental Program of above equipment.
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	All our equipment falls under the primary category on the proposal.

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

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

Line Item	Category or Type	Offered *	Comments
72	Sewer vacuums or combination sewer cleaners	<input checked="" type="radio"/> Yes <input type="radio"/> No	See Equipment List
73	Hydro or air excavation equipment	<input checked="" type="radio"/> Yes <input type="radio"/> No	See Equipment List
74	Jetters and rodders	<input checked="" type="radio"/> Yes <input type="radio"/> No	See Equipment List
75	Dewatering, mud, trash, and centrifugal pumps	<input type="radio"/> Yes <input checked="" type="radio"/> No	No items specifically in this category, but our Geneisis Recycler unit does de-water before dumping.
76	Pumps used in lift stations, sewage treatment, water treatment, or water collection facilities	<input type="radio"/> Yes <input checked="" type="radio"/> No	No items specifically in this category, but our 900-ECO with optional trash pump can be used as an emergency pump system.
77	Accessories, supplies and replacement or wear parts related to the offerings above.	<input checked="" type="radio"/> Yes <input type="radio"/> No	

Table 15: Industry Specific Questions

Line Item	Question	Response *
78	Describe any product or equipment features that improve operator safety.	Our 900-ECO with patented HydroDrive system operates with the transmission in neutral and no transfer case required which has the potential to pop into gear and drive away. All of our ECO Series equipment operators at a reduced RPM for lowered noise for the operator. Our standard wireless remote has an e-stop safety check built in.
79	Describe any product or equipment innovations that increase uptime and operator productivity.	Our 900-ECO with patented HydroDrive system operates with the transmission in neutral and no transfer case required. The operator simply puts the truck in neutral, sets the parking brake, gets out of the truck, and turns on one switch to activate the unit. Then they can vacuum and/or jet within seconds. We do not utilize any completed computers or touch screens that prevent the operator from using while wearing gloves. Our dig-deep boom available on the 900-ECO and our HX12 series allows for increase vacuum depth without the need for as many vacuum tube additions.

Table 16: Exceptions to Terms, Conditions, or Specifications Form

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

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

Documents

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

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcwell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcwell.
3. Sourcwell may reject any response where any document(s) cannot be opened and viewed by Sourcwell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- [Pricing](#) - Price Sheets.zip - Monday October 11, 2021 13:50:43
- [Financial Strength and Stability](#) - Financials.zip - Monday October 11, 2021 13:51:14
- [Marketing Plan/Samples](#) - Marketing Documents.zip - Monday October 11, 2021 13:52:29
- [WMBE/MBE/SBE or Related Certificates](#) - 43 Edge Credit Cert of Verification.pdf - Monday October 11, 2021 13:53:20
- [Warranty Information](#) - 45 WARRANTY POLICY AND PROCEDURE.docx - Monday October 11, 2021 13:52:48
- [Standard Transaction Document Samples](#) - Sourewell Order Transaction Document.pdf - Monday October 11, 2021 13:57:20
- [Upload Additional Document](#) - Additional Documents.zip - Monday October 11, 2021 13:54:30

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

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

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

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Shawn Bondele, Inside Sales Manager, Sewer Equipment Co. of America

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

Yes No

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

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

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_3_Sewer_Vac_Hydro-Excavation_Pumps_RFP_101221 Thu September 30 2021 03:29 PM	<input checked="" type="checkbox"/>	2
Addendum_2_Sewer_Vac_Hydro-Excavation_Pumps_RFP_101221 Fri September 10 2021 02:40 PM	<input checked="" type="checkbox"/>	2
Addendum_1_Sewer_Vac_Hydro-Excavation_Pumps_RFP_101221 Thu August 26 2021 05:40 PM	<input checked="" type="checkbox"/>	1

**LINKING AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
AZ WASTEWATER INDUSTRIES,
INC.**

**EXHIBIT B
Scope of Work**

Contractor will provide the City with a 9-yard Combination Sewer Cleaning Truck as defined in the Sourcewell, Sewer Equipment, Contract No. 101221-SCA, from RFP No. 101221-SCA, and in accordance with the Contractor's Quote, 20507 dated 5/31/2023



AZ Wastewater Industries, Inc.
Phone: 800 778-9359 Fax: 480 425-3321
www.usa-awi.com

QUOTE

ARIZONA LOCATION:
3201 W. Virginia Ave, Suite 3
Phoenix, AZ 85009

NEVADA LOCATION:
61 Spectrum Blvd
Las Vegas, NV 89101

Quote No.	20507
Quote Date	5/31/2023
Sales Rep.	BLM
Payment Terms	Net 30
F.O.B.	Factory
Prices Good For	120 Days

Customer:

City of Sedona Wastewater Dept.
102 Roadrunner Dr.
Sedona, AZ 86336
Sourcewell Member ID #38523

Item	Item Description	Qty	Unit Cost	Total
900-ECO	9-yard Combination Sewer Cleaning Body (per the attached Sourcewell contract #101221-SCA)	1	407,978.33	407,978.33T
Discount-Sales	Less 3% Sourcewell Discount		-3.00%	-12,239.35
Chassis	Western Star 47X, Tandem Axle, 450 HP Detroit Diesel, Allison 4000RDS Auto Transmission	1	151,510.00	151,510.00T
Freight Charge	Freight/Delivery Charges		6,500.00	6,500.00

As always, it's a pleasure doing business with you!

Signature _____

Subtotal	\$553,748.98
Sales Tax (8.6%)	\$47,063.42
Total	\$600,812.40



3201 W Virginia Ave, Suite 3 | Phoenix, AZ 85009

p 800-778-9359 | f 480-425-3321

www.usa-awi.com



May 31, 2023

Sourcewell Member ID #38523

CITY OF SEDONA SPECIFICATIONS FOR QUOTE #20507

900-ECO 9 Yard Truck Mounted Combination Sewer Cleaner

Vacuum System:

4400 CFM Blower (Blower Speed 2200 RPM)
8" Vacuum Hose system
18" Hg vacuum rating
Dual Cyclone Separator
Dual Element 10 Micron Final Filter
Remote Vacuum Relief
Analog Vacuum Display
(6) Tube / Tube Rack

Water System:

1000 Gallon Capacity Water Tank
Giant plunger style triplex
65 gpm @ 2000 psi w/ 30 min run dry
Black Duraprolene™ Water Tank Construction
w/ 10 Year Warranty
Cold Weather Recirculation System
2.5" Hydrant Fill system
Air Purge Valve
Variable Volume Delivery
Low Water Warning Light
Analog Pressure Display
Front and Mid Ship Hand Gun Ports

Hose Reel & Hose:

Front Mounted Telescoping & Rotating
800' X 1" Hose Capacity
10' Leader Hose
Single Side Controls

Accessories:

(3) 8" x 6' Extension Tube
(1) 8" X 3' Extension Tube
(1) 8" x 6' Crowned Suction Nozzle
(1) 6" x 10' Flat Discharge Hose
BB Hose Guide
Tri-Star (chisel point) nozzle
DD (high flow) nozzle
Finned Nozzle extension
Nozzle Rack (Mounted midship toolbox)
25' Fill Hose
Upstream Pulley Guide
Washdown gun
Cleaner, Tip,Torch,Small
(1) Hydrant Wrench
(1) Paper Owner's Manual

Boom:

Telescoping Boom System
Telescoping Reach 17' 2" to 27' 2"
Hydraulic Powered Boom
180° Working Radius
Boom Joystick Control

Electrical:

NEMA 4 Control Panel
Hour Meter (Blower & Water Pump)
Military Spec. Sealed Switches

Debris Tank:

9 Cubic Yard Capacity
Hydraulic Dump, 50° Dump Angle
Dual Ported Rear Door w/ Knife Valve
Dump Height 60"
Hydraulic Open/Close/Lock Door

Truck:

Mounting to Approved Chassis
(1) Alum Toolbox 24"x42"x100" - Behind Cab
LED D.O.T. Approved Lighting
(2) Tow Hooks Front Bumper

STANDARD OPTIONS:

HOSE REEL ASSEMBLY:

AUTOMATIC LEVEL WIND WITH HYDRAULIC UP/DOWN ACTION
DIGITAL "SMART COUNTER" FOOTAGE METER
SEWER HOSE (3/4" I.D. X 600' X 3000 P.S.I. OPERATING PRESSURE) PER FT

WATER PUMPS:

TRIPLEX PLUNGER STYLE WATER PUMP RATED AT 55 GPM @ 3000 PSI (includes drain valves) (Confirm chassis horsepower requirements)

WATER TANKS:

ADDITIONAL 150 GALLON DURAPROLENE™ WATER TANK W/ 10 YEAR WARRANTY - (between rails)
(total capacity 1150 gallons)
WATER TANK LOW LEVEL AUDIBLE ALARM (level set point is fixed at 150 gallons)
2" Y-STRAINER ON INLET FILL SYSTEM

WATER SYSTEM ATTACHMENTS:

FILL HOSE STORAGE RACK
STANDARD HYDROEXCAVATION CLEANING KIT 20 GPM @ 2000 PSI (8" x 6' digging tube, 8gpm rotary digging wand, 10gpm linear nozzle (shipped loose), (2) 5' Extension wands and automatic reel w/ 75' of 3/8" hose)
CENTRAL WASHDOWN SYSTEM (includes 50' of 1/2" hose on a spring retracting hose reel mounted mid-ship)

TOOLBOX CONFIGURATIONS:

LONG HANDLED TOOL STORAGE (TWO (2) 4" TUBES) WITH RETAINING SPRINGS - Confirm rear suspension
(2) 30"x18"x18" passenger side toolboxes with retractable two-step ladder
EXPANDED METAL STORAGE BASKET DS FRAME RAIL (N/A, with DS water tank or anti freeze system)

DEBRIS BOX & BOOM:
DEBRIS BODY PUMP OFF SYSTEM (4" hydraulic driven pump rated @ 800 gpm located on rear door of debris box, includes swing out decant screen)
DEBRIS LIQUID LEVEL AUDIBLE ALARM (level set point is adjustable) Note: Tied to vacuum relief and opens vacuum relief valve.
MANUAL/ELECTRIC BOOM CONTROL VALVE (Control valves have built-in levers for manual boom control) (Located at midship control panel)
DUAL VARIABLE VACUUM CONTROL VALVE (Located at both hose reel & midship stations)
DEBRIS BODY WASH OUT SYSTEM (includes dual nozzles in debris box)
ELECTRICAL & LIGHTING:
WIRELESS REMOTE CONTROL PENDANT (controls include hose reel payout/retrieve, water pump on/off, vacuum relief open/close, boom up/down, boom left/right, boom extend/retract and module kill switch)
WIRELESS REMOTE ALARM (Buzzer alarm sounds off when truck is taken out of neutral with remote not in docking station)
ENHANCED VISIBILITY CAMERA SYSTEM (includes front and rear mounted camera heads with monitor in cab)
(6) LED FLUSH MOUNTED STROBES: (2) FRONT, (2) SIDE & (2) REAR FACING (factory standard)
LED ARROW BOARD (factory standard)
LED MANHOLE AREA WORK LIGHT
LED CURBSIDE BODY MOUNTED WORK LIGHT
LED BOOM MOUNTED WORK LIGHTS (2) (complete with limb guard)
LED REAR MOUNTED WORK LIGHTS (2) : LOCATED ABOVE REAR DOOR
LED HANDHELD WIRELESS 12v/110v RECHARGABLE LED SPOTLIGHT W/ STORAGE
CHASSIS:
AIR PURGE WINTERIZATION SYSTEM (supplied by chassis air system)
SIX (6) 28" D.O.T. SAFETY CONES AND HOLDER
CENTRAL LUBRICATION SYSTEM
(2) TOW HOOKS REAR BUMPER
PAINT:
DEBRIS BOOM: STANDARD • STERLING WHITE (FDG91327)
DEBRIS TANK: •STANDARD • STERLING WHITE (FDG91327)
HOSE REEL - UPRIGHT STANDARD • SEWER BLUE (PAN 287)
FRAME: • STANDARD BLACK (FDG9000)
SLIDE FRAME: • STANDARD BLACK (FDG9000)
MANUALS & TRAINING:
ADDITIONAL PAPER OPERATORS MANUAL
USB OPERATORS MANUAL
TRAINING - CUSTOMER LOCATION



**CITY COUNCIL
AGENDA BILL**

**AB 2960
Date June 13, 2023
Consent Items**

Agenda Item: 3g
Proposed Action & Subject: Approval of the renewal of the existing undercover license plates for the undercover vehicles.

Department	Police Department
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	N/A

City Attorney Approval	Reviewed 06/05/23 KWC	Expenditure Required	\$ N/A
City Manager's Recommendation	Approve the renewal of the existing undercover license plates for the undercover vehicles.	Amount Budgeted	\$ N/A
		Account No. (Description)	
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: In adherence to Arizona Revised Statutes (A.R.S.) § 38-538.03, an exemption approval from the Governor or relevant agency governing body is required each year for vehicles issued plates under the provisions of A.R.S § 28-2511(A) or (E) regardless of the vehicle's tab expiration date. This is the annual renewal for four current vehicles in the program.

The list of vehicles by year, make, model and VIN has been prepared and will be available for review in the Chief of Police Executive Assistance's office.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): N/A

MOTION

I move to: approve the renewal of the existing undercover license plates for the undercover vehicles.



**CITY COUNCIL
AGENDA BILL**

**AB 2956
June 13, 2022
Regular Business**

Agenda Item: 8a
Proposed Action & Subject: Presentation/discussion by Arizona Public Service (APS) regarding their fire mitigation efforts and summer readiness program.

Department	City Manager’s Office
Time to Present	10 Minutes
Total Time for Item	20 Minutes
Other Council Meetings	N/A
Exhibits	A. APS Fire Mitigation Flier

City Attorney Approval	Reviewed 6/05/23 KWC	Expenditure Required	
		\$	N/A
City Manager’s Recommendation	For information and discussion only.	Amount Budgeted	
		\$	N/A
		Account No. (Description)	
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: APS has requested to make a presentation to the City Council regarding their efforts to mitigate risk of wildfires and educate customers and communities on the importance of being Firewise. APS will also present on their Comprehensive Fire Mitigation Plan (CFMP). The APS Forestry and Fire Mitigation Team implement the CFMP, working closely with customers, communities and local fire authorities, including the US Forest Service, to ensure they have cohesive strategies to mitigate the risk of wildfire.

Additional resources for customers are available at www.aps.com/wildfiresafety.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for information and discussion only.



APS Wildfire Safety and Fire Mitigation

We are committed to helping protect people, property and Arizona's lands from wildfires.

The risk of wildfire cannot be eliminated, but it can be managed. We are actively involved year-round in efforts to prepare and to reduce the risks of wildfire in our communities.

As an energy provider, our role includes partnering with communities, first responders and customers to reduce wildfire risk and prepare for emergency response.

We play our part through long-term planning and ongoing system maintenance and upgrades to keep people, property and land safe around electricity.

Our year-round wildfire preparedness and efforts involve:

- Clearing vegetation, creating defensible space around critical electrical infrastructure and helping people know how to create defensible space around their property.
- Working with communities on their emergency preparedness specific to wildfires.
- Keeping customers informed during any power outages that may be necessary to reduce wildfire risk or keep responders safe.
- Communicating to our partners and the public about our work to prevent wildfires and to promptly restore power after an outage.



Integrated Vegetation Management Program

We conduct annual inspections of transmission and distribution lines and, in accordance with all state regulations, clear overgrowth to ensure safe clearances around our equipment within rights-of-way. Historically, our utility rights-of-way have been heavily used by firefighters as a fire break, making routine maintenance a critical process.

Protocols During Elevated Fire Conditions

During elevated fire conditions, power outages may be extended until crews can perform visual inspections of lines and remove any potential hazards from around our equipment that could pose fire risks. In the event of a wildfire, power lines may be temporarily taken out of service to protect firefighters, which could result in outages that might last longer than usual. We continue to invest in specialized equipment on our lines to help reduce outage durations for customers.

Line Inspections and Public Safety Patrols

We conduct an annual patrol of nearly 5,000 miles of overhead lines using drones, vehicles and, in heavily vegetated areas, by foot. Annually, we complete a pole-by-pole inspection and identify necessary maintenance and complete the work ahead of elevated fire conditions.

Defensible Space Around Poles (DSAP) Program

Proactively creating defensible space within a 10-foot radius around poles helps protect electrical equipment from the impacts of wildfire and prevent wildfire ignitions.

Customer Communication

We realize that any disruption of power is a major inconvenience to customers. Create an online account and receive text or email outage alerts. Already have an account? Log in and make sure your contact information is correct to make sure you receive alerts related to outages in your area. To ensure customers are kept informed, we are reaching out to customers in a variety of ways, including:

- Mailed postcards to customers in high-fire-risk areas
- Emails and bill messages
- Radio and newspaper ads
- Online Outage Center (aps.com/outage) and Wildfire Safety (aps.com/wildfiresafety) pages



CITY COUNCIL
AGENDA BILL

AB 2942
June 13, 2023
Regular Business

Agenda Item: 8b
Proposed Action & Subject: Discussion/presentation by Kent Ellsworth, Executive Director of the Verde Valley Caregivers Coalition, to provide an update to the City Council on their activities, accomplishments, and general service provision to the community.

Table with 2 columns: Category (Department, Time to Present, Total Time for Item, Other Council Meetings, Exhibits) and Value (City Manager, 15 minutes, 15 minutes, March 14, 2023, March 28, 2023, April 25, 2023, May 09, 2023 May 23, 2023, None)

Table with 3 columns: City Attorney Approval (Reviewed 6/05/23 KWC), City Manager's Recommendation (For presentation and discussion only), and Expenditure Required/Amount Budgeted (\$ N/A) with Account No. (Description) Finance Approval checked.

SUMMARY STATEMENT

Background: As part of the provider agreements between the City of Sedona and each of the city-funded non-profit community service providers, including the Sedona Historical Society, the organizations are asked to present periodic updates to the City Council. Until the recent scheduling of service provider updates, it had been several years since the last presentations were made. Since the provider agreements are being considered for renewal for FY2024, it is a good time to have all the service organizations provide an update to the City Council on the services they are providing for the benefit of the community.

Kent Ellsworth, Executive Director of Verde Valley Caregivers Coalition will be the presenter.

Climate Action Plan/Sustainability Consistent: [] Yes - [] No - [X] Not Applicable

Board/Commission Recommendation: [] Applicable - [X] Not Applicable

Alternative(s): N/A

MOTION

I move to: For presentation / discussion only



**CITY COUNCIL
AGENDA BILL**

**AB 2946
June 13, 2023
Regular Business**

Agenda Item: 8c
Proposed Action & Subject: Discussion/possible action on the approval of three (3) year service contracts with the Humane Society of Sedona, Sedona Community Center, Sedona Historical Society, Sedona Public Library, Sedona Recycles, and Verde Valley Caregivers Coalition for fiscal years 2024, 2025, and 2026.

Department	City Manager's Office
Time to Present	15 minutes
Total Time for Item	60 minutes
Other Council Meetings	Not applicable
Exhibits	<ul style="list-style-type: none"> A. Humane Society of Sedona Agreement B. Sedona Community Center Agreement C. Sedona Historical Society Agreement D. Sedona Public Library Agreement E. Sedona Recycles Agreement F. Verde Valley Caregivers Coalition Agreement G. Citizen Budget Work Group Comments Summary <p><i>(Copies of the service providers' original funding requests are available in the City Clerk's office for review and are not included due to file size.)</i></p>

City Attorney Approval	Reviewed 06/05/23 KWC	Expenditure Required
		\$ 1,674,290.00
City Manager's Recommendation	Approve the six provider agreements as recommended by the City Manager and per the attached three-year agreements.	Amount Budgeted
		<ul style="list-style-type: none"> \$ 93,090.00 HSS \$ 236,000.00 SCC \$ 150,000.00 SHS \$ 865,200.00 SPL \$ 250,000.00 SR \$ 80,000.00 VVCC (FY24 Proposed Budget amounts)

		Account No. (Description)	10-5245-90-6724 10-5245-92-6719 10-5245-91-6717 10-5245-91-6715 10-5245-09-6723 10-5245-93-6713
		Finance Approval	<input checked="" type="checkbox"/>
SUMMARY STATEMENT			

Background: For more than twenty years, various community organizations have received funding from the City through service contracts. These organizations fund services the City does not provide but might otherwise provide in the absence of that community organization, and others are simply intended to provide additional public benefit.

All six (6) of the service contracts will expire on June 30, 2023. In January 2023, City staff began the renewal process with the Humane Society of Sedona, Sedona Community Center, Sedona Historical Society, Sedona Public Library, Sedona Recycles, and Verde Valley Caregivers Coalition with funding requests being due on February 22, 2023.

On March 23, 2023 and April 6, 2023, a Service Contract Review Committee comprised of the same members of the City’s Citizen Budget Work Group (CBWG), including Christian Eaton, Dave Price, Guy Lamunyon, James Cashin, Philippe BUILLET, Pilisa Rainbow Lady, PJ Harrison, Richard Williams, Rob Smith, and Tracy Randall reviewed each funding request and held individual meetings with each of the service contract organizations. These one-on-one meetings provided an opportunity for Committee members to ask questions and better understand the new funding requests.

The following table includes the last two (2) years funding amounts for each organization as well as the FY24 funding request and the FY24 funding levels recommended by the Committee.

Service Provider	FY22	FY23	FY24 – Provider Request	FY24 – Committee Recommended	FY24 – City Manager Recommended
Humane Society of Sedona	\$71,919.00	\$77,026.00	\$93,090.00	\$93,090.00	\$93,090.00
Sedona Community Center	\$192,850.00	\$206,542.00	\$236,000.00	\$236,000.00	\$236,000.00
Sedona Historical Society	N/A	\$100,000.00	\$150,000.00	\$150,000.00	\$150,000.00

Sedona Public Library	\$506,031.00	\$541,959.00	\$879,906.00	\$633,000.00	\$865,200.00
Sedona Recycles	\$203,000.00	\$217,413.00	\$250,000.00	\$250,000.00	\$250,000.00
Verde Valley Caregivers Coalition	\$60,900.00	\$65,224.00	\$80,000.00	\$80,000.00	\$80,000.00

The purpose of this item is to approve the following service contracts:

1. Humane Society of Sedona – Exhibit A
2. Sedona Community Center – Exhibit B
3. Sedona Historical Society – Exhibit C
4. Sedona Public Library – Exhibit D
5. Sedona Recycles – Exhibit E
6. Verde Valley Caregivers Coalition – Exhibit F

All of the above-listed service contracts would consist of a three (3) year term and new amount, but there would be no substantive changes from the previous contract.

City Manager Amended Recommendation for the Sedona Public Library

Subsequent to the service contract review process, the city manager was contacted by the Sedona Public Library Executive Director asking her to reconsider the CBWG funding recommendation for FY24-26. After further consideration of that request and for the reasons outlined below the city manager budget recommendation for FY24 for the library has been amended to \$865,200 which is 50% of the library’s projected operating expenses for FY24.

According to everylibrary.org public libraries are funded locally through one of seven different ways: through dedicated property taxes; through dedicated sales or use taxes; through the general fund of a municipality; by the terms of a contract with a municipality; through a fund allocation by a school district; through fund allocations by several legal or municipal entities via an MOU or IGA; or by direct funding from a state. The same source confirms that nationwide, over 90% of operational funds for libraries are coming from one of these sources. Please note that none of the seven primary funding sources called out are private donations, albeit our library's structure as a 501c3 non-profit provides for, *and relies on*, significant private donations as a source of financial support, particularly for capital improvements.

Within the State of Arizona, the most recent Arizona Public Library Statistics report, from the Arizona State Library, Archives and Public Records, for Fiscal Year ending 2018 reports that 95% of all library operating revenues for the 90 public libraries in the state of Arizona, come from local government sources. Local government sources include cities and towns, tribes, counties and library districts. The breakdown of all operating revenue sources for FY2018 are as follows:

\$199,000,000 total operating income

\$189,157,000 total is provided by local governments (cities and towns, tribes, counties and districts) - 95%

\$1,509,000 is provided through state sources - less than 1%

\$1,358,000 is provided through federal sources - less than 1%

\$6,900,000 comes from other revenue sources (presumably private donations) - 3.5%

In the same fiscal year (2018) on the capital revenue side, a total of \$13,436,000 was generated for capital improvements by those 90 Arizona libraries. Of that, \$11,718,800 came from the above-referenced local government sources, or 87% of capital revenue is coming from local government support.

Further, within Yavapai County the following cities and towns operate their own libraries and on average fund 85% of those libraries' operating expenses directly using city/town funds (excluding Yavapai County library district funds). Due to further cuts to the Yavapai County Library District contributions to these incorporated areas libraries for FY24, those percentages are expected to consistently exceed 90% of total operating costs for FY24:

	Total Operating Budget FY23	Amount funded locally by the city/town at 85%	Amount funded locally by the city/town at 90%.
Prescott	\$2,586,000	\$2,198,100	\$2,327,400
Prescott Valley	\$2,557,000	\$2,173,450	\$2,301,300
Chino Valley	\$400,500	\$340,425	\$360,450
Camp Verde	\$740,000	\$629,000	\$666,000
Cottonwood	\$1,328,000	\$1,128,800	\$1,195,200
		Amount funded locally by city at 35%	Amount funded at <u>50%</u> of FY24 projected budget
Sedona via local nonprofit	\$1,542,000	\$542,000	\$865,200

The operating budgets for the Yavapai County cities and towns listed above are strictly for library services and do not include other overhead expenses covered by other city/town budgets including information technology, finance, human resources and facilities management. That means the annual operating budgets shown above are artificially lower than that of the Sedona Public Library, because as a stand-alone entity without other city/town support, it must fund those expenses as part of its annual operating budget. This is a burden the other libraries do not have which may make the Sedona Public Library budget appear inflated when compared to its peers.

The Sedona Public Library is requesting that the City of Sedona fund 50% of their total annual operating expenses. Based on the above benchmarks, that request appears reasonable. The City benefits from the existence of this nonprofit organization and by being covered by two library districts that collect library taxes and pass some of that funding along to the Sedona

Public Library for its operations. In particular, Coconino County's distribution of library tax revenues, which is based on a more generous formula for what is reinvested into the incorporated areas, in our case over \$400,000 annually, contributes significantly to library operations further offsetting what the City of Sedona might otherwise be expected to contribute if Sedona Public Library was exclusively operating within Yavapai County.

Further, given the significant capital needs to address issues with the library's 30-year-old main branch, it is likely there will be a greater need for private fundraising and donation seeking to fund those improvements in the next few years. The library estimates the capital needs to be approximately \$7,500,000. The City is not being asked to contribute to that capital campaign.

Finally, of all the services provided through these service agreements, the library is the service area that the community would be most likely to expect that the City take on full responsibility for, should the nonprofit decide to no longer provide the services. The City benefits from the Sedona Public Library's continued commitment to providing these services.

Contract Terms

The Committee is recommending a three (3) year term for all service providers, with the exception of Sedona Recycles. For Sedona Recycles, the Committee recommends a one (1) year term, with the option to renew for two (2) additional one (1) year terms.

City staff are recommending a three (3) year term for all service providers, Sedona Recycles included.

The Committee expressed concern that Sedona Recycles lacks an appropriate business plan and over Sedona Recycles' estimate that only about 15% of residents utilize their services. The Committee believes that the City should have a broad discussion and develop a plan on waste hauling and recycling services that would more effectively help the City achieve its Climate Action Plan goals. At this time, City staff do not believe the City possesses the capacity to coordinate the development and implementation of such a plan prior to the end of the three (3) year contract term. Some of the Committee members will attend the Council meeting to provide more information on their thoughts.

Inflationary escalators will be added to the contract amount at the beginning of each fiscal year using the Bureau of Labor Statistics CPI-U for the West Region (for the previous 12-month period ending December of the prior year), capped at 5% annually to insulate the City from risk of inflation increasing significantly beyond our forecasted assumptions during that timeframe. Additionally, all contracts contain language that makes annual funding contingent on the availability of funds as provided in the City's annual budget and the ultimate realization of budgeted revenues being received by the City. This provides the City the ability to modify annual funding amounts at any time if availability of City funds becomes an issue.

Climate Action Plan (CAP)/Sustainability Consistent: Yes - No - Not Applicable

CAP Goal: Increase the diversion of waste from the landfill and reduce greenhouse gas emissions associated with the consumption of goods and services. The Sedona Recycles contract contributes to this goal; however, the Committee questioned the effectiveness of this business's approach.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): None

MOTION

I move to: approve the proposed service contracts with the Humane Society of Sedona, Sedona Community Center, Sedona Historical Society, Sedona Public Library, Sedona Recycles, and Verde Valley Caregivers Coalition and authorize the City Manager to sign said contracts subject to approval by the City Attorney.

**COMMUNITY SERVICES PROVIDER AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
HUMANE SOCIETY OF SEDONA, INC.**

This COMMUNITY SERVICES PROVIDER AGREEMENT (this “Agreement”) is entered into this 13th day of June, 2023, between the City of Sedona, an Arizona municipal corporation (the “City”), and Humane Society of Sedona, Inc., a 501 (c)(3) nonprofit organization (the “Community Services Provider” or “CSP”), collectively called the “parties”.

RECITALS

WHEREAS, the City is a municipal corporation organized under the laws of the State of Arizona and entitled to provide services and enter into contractual agreements for the purpose of obtaining services or benefits which it otherwise could provide; and

WHEREAS, the City is in need of animal sheltering for unowned/stray dogs and cats hereinafter called “Strays” retrieved by community members and the City’s Animal Control; and

WHEREAS, the Community Services Provider operates and maintains a shelter that can be used for this purpose; and

WHEREAS, the City and CSP desire to enter into this Agreement for the provision of certain services for the benefit of the residents of the City.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the mutual covenants contained here, the parties agree as follows:

1. **Term:** The term of this Agreement is for three (3) years from July 1, 2023 to June 30, 2026.
2. **Payment:**
 - a. The CSP and the City acknowledge that the CSP services and facilities to be provided to Sedona residents are a direct public benefit to the City. The services benefiting the City are set forth below. As consideration for that value, the City will remit to CSP **Ninety-Three Thousand Ninety Dollars (\$93,090.00)** for FY24 (the “FY24 base amount”).
 - b. For FY25, beginning July 1, 2024 and ending June 30, 2025, the funding amount will be the FY24 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the “FY25 base amount”). The inflationary escalator shall not exceed five percent (5%).
 - c. For FY26, beginning July 1, 2025 and ending on June 30, 2026, the funding amount will be the FY25 base amount plus the inflationary escalator in

accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the "FY26 base amount"). The inflationary escalator shall not exceed five percent (5%).

- d. All payments from the City to the CSP will be remitted in two (2) installments, by the last day of the months of August and February of each fiscal year and are subject to the availability of funds from the City.
 - e. If the services rendered do not meet the requirements of this Agreement, the CSP shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.
3. **Appropriation of Funds:** Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the CITY at the end of the period for which funds are available. No liability shall accrue to the CITY in the event this provision is exercised, and CITY shall not be obligated or liable for any future payments or for any damages resulting from termination under this provision.
4. **Community Services:** CSP shall provide the community services as defined in this Agreement and as necessary to accomplish the scope of work as defined below. The CSP shall furnish all services, labor, and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement.

Scope of Work:

Shelter Facility: During the term of this Agreement, the CSP will continue to operate and maintain an animal shelter to provide proper and humane care for all dogs and cats which come into its custody in accordance with the requirements of Arizona Revised Statutes, Title 11, Chapter 7, Article 6.1 and Chapter 6.05 of the Sedona City Code.

- a. The CSP shall be fully responsible for the operation and maintenance of its shelter facilities, and shall furnish the personnel, materials, equipment, and other items necessary to carry out the terms of this Agreement.
- b. The CSP shall maintain suitable office hours at the shelter for the benefit of the public and for the purpose of transacting business in connection with the duties under this Agreement and for the purpose of receiving Strays and/or accepting applications for the redemption of impounded animals.
- c. The CSP shall be responsible for and in full control of the work of its personnel, who shall be responsible to the CSP.
- d. The CSP agrees to receive Strays from members of the community and delivered by the enforcement agent of the City. The CSP will provide a key to the shelter facility to the Sedona Police Department and allow designated Police Department personnel to have 24 hour/7 days per week access to the facility to impound dogs and cats when the facility is not open and staffed by CSP personnel. Such

impoundment shall be conducted by the Police Department in accordance with established operating procedures.

- e. The CSP agrees to receive the remains of deceased Strays for cremation services delivered by the enforcement agent of the City in accordance with established operating procedures. The CSP does not accept the remains of owned pets or from community members.
- f. It is understood and agreed by the parties that the CSP has no facilities or methods for sheltering animals other than dogs and cats, nor does it contemplate providing such facilities. The CSP may, however, at its option, shelter other small animals from time to time when deemed necessary by the CSP for humane reasons.

Impoundment: It is understood and agreed that the CSP will accept Strays for purposes of impoundment. Such impounded animals shall be kept for no fewer than the minimum time limits established by A.R.S. §11-1013. On expiration of the Stray holding period, animals that have not been redeemed by an owner shall become the property and responsibility of the CSP, which may place such animals on adoptable status or may euthanize by humane injection, in accordance with the requirements of A.R.S. §11-1013.

- a. CSP reserves the right to euthanize immediately any impounded Stray who is deemed to have irremediable physical suffering or whose behavior or physical condition is such that said animal represents a danger to the well-being of other animals or humans as determined by CSP staff, provided the action taken by the CSP is in compliance with City ordinance and in accordance with A.R.S. §11-1014 governing the treatment of animals. The CSP shall comply with the retention time limits of Chapter 6 of the Sedona City Code in the disposition of biting animals.

Rabies Quarantine: The CSP agrees to accept from the City enforcement agent and to hold for not less than ten (10) days any Stray for which no owner can be found, for the purpose of rabies quarantine when such Stray has bitten a person as per A.R.S. §11-1014.

- a. The parties to this agreement expressly agree that owned dogs or cats that are to be held for rabies quarantine and returned to the owner in the event that no rabies is exhibited would not be delivered to the CSP for quarantine. Such dogs should be quarantined at a veterinary clinic or commercial boarding kennel at the owner's expense. If for any reason an owned animal is quarantined at the CSP, the CSP will retain collected impound and boarding fees.

Dog License Program: The CSP shall maintain a licensing program as per Sedona City Code Section 6.05.020 and in accordance with A.R.S. §11-1012 for all dogs over three (3) months of age who reside within the incorporated boundaries of the City of Sedona. Licenses will be valid for one (1) year or three (3) years from date of purchase.

- a. Written application for a license shall include name and address of applicant, description of the dog, the appropriate fee and current rabies certificate valid for

the entire length of the license issued by a licensed veterinarian or anti-rabies clinic.

- b. The CSP shall provide written notice in the form of a postcard/letter/email to all known dog owners in the City annually, informing them of the need to license their dog and provide instructions how and where to apply for the license. A copy of this notice shall be provided to the City.
- c. The license fees are as follows:
 - The annual license fees for each sterilized dog shall be \$10.00.
 - The annual license fees for each un-sterilized shall be \$30.00.
 - The three-year license fees for each sterilized dog shall be \$25.00.
 - The three-year license fees for each un-sterilized dog shall be \$72.00
 - The duplicate license and transfer fees shall be in accordance with the City Code

- 5. **Marketing:** The CSP agrees that all printed materials created and distributed by the CSP with funds from the City shall contain a statement recognizing and acknowledging that funding has been provided by the City for such documents.
- 6. **Financials:** The CSP shall use City funds only for CSP purposes and provide written accounting to the City describing the manner and use of City funds at the City's request. In addition, the CSP shall provide a copy of the IRS 990 form and a copy of its annual financial statements. The City shall have the right to audit the books of the CSP at all reasonable times for the purpose of confirming the expenditures of City funds with reasonable notice to the CSP.
- 7. **Reporting:** The CSP will provide an annual written report of accomplishments to include the following information and performance metrics:

Impound/Housing of Animals (City of Sedona residents' statistics vs. non-residents)

- 1. Dollar Value of Impound/Recovery Fees Collected
- 2. Number of Strays handled by the CSP
- 3. Number of Strays Brought in by the City
- 4. Number of Strays Returned to their Owner
- 5. Total number of days Strays were in CSP's Care
- 6. Number of Animals Adopted
- 7. Number of Dead on Arrivals (DOA's) brought in by the City
- 8. Number of Animals held for Bite Quarantine
- 9. Cost per animal for CSP

Dog Licenses

- 1. Number of Licenses Sold
- 2. Number of Mailers Sent
- 3. Cost of Mailers
- 4. Dollar Value of License Fees Collected

At the request of the City Manager, the CSP will also provide an annual verbal presentation to City Council.

8. **City Liaison:** The City will appoint one (1) non-voting liaison to attend the CSP Board meetings to provide two-way communication between the City and the CSP. The CSP shall notify the City liaison of all CSP board meetings.

9. **Termination:** Either party may terminate this Agreement, without penalty, upon 30 days written notice to the other. Upon such termination, the parties shall assess the services rendered to the date of termination and the City shall make any necessary payment or CSP shall make any necessary reimbursement as may be required so that payment for the services rendered to the date of termination shall have been paid by the City on a proportional basis over the actual term of the Agreement.

10. **ADA:** The CSP must conform to the Americans with Disabilities Act of 1990, including changes made by the ADA Amendments Act of 2008 (P.L. 110-325) (ADA) and the Rehabilitation Act of 1973, as amended. This includes prohibiting discrimination against the handicapped in employment, programs, services, and activities and making reasonable accommodations to allow their full and equal access to all such employment, programs, services, and activities. The CSP shall also comply with all other federal, state, and local regulations prohibiting unlawful discrimination in employment, programs, services, activities and contracting.

11. **Exclusions and Legal Compliance:** The CSP agrees to comply with all Federal, State, and City laws or regulations applicable to the CSP's business or services or to the performance of these services with the express and explicit exception of any so-called "pound seizure" rules or laws in existence now or in the future.

It is understood and agreed that CSP does not contract with the City for and will not be responsible for:

- a. Picking up stray, injured, ill, or dead animals,
- b. Investigation of violations of City's animal control laws nor enforcement of same, or
- c. Animals other than dogs or cats, other than at the Society's discretion.

12. **Written Changes:** This Agreement contains the entire Agreement of the parties with respect to the subject matters hereof and it may be amended or modified only by an instrument in writing signed by both parties.

- a. Written notices to City shall be sent to:

City Manager
 City of Sedona
 102 Roadrunner Drive
 Sedona, AZ 86336

- b. Written notices to the CSP, shall be addressed to:

Executive Director
 Humane Society of Sedona
 2115 Shelby Drive
 Sedona, AZ 86336

13. **Independent Contractor:**

- a. The parties agree that the CSP provides specialized services and that the CSP

enters this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute the CSP, nor any of its personnel, volunteers, or directors, as agents, employees, or representatives of the City.

- b. As an independent contractor, the CSP is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages that may arise during the operation of this Agreement.
- c. It is understood and agreed that the CSP is free to contract with other parties or to otherwise provide additional services.

14. **Insurance:** The CSP agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverages as requested by City, either in the initial bid, or prior to commencement of particular tasks. The CSP shall submit to City before any work is performed, certificates from the CSP's insurance carriers indicating the presence of coverages and limits of liability as follows:

- a. Worker's Compensation Insurance:

Coverage A: Statutory benefits as required by the Labor Code of the State of Arizona.

Coverage B: Employer's Liability

Bodily Injury by accident \$1,000,000 each accident

Bodily Injury by disease \$1,000,000 policy limit

Bodily Injury by disease \$1,000,000 each employee

- b. Commercial General or Business Liability Insurance (Occurrence Form) with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.
- c. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CSP's owned, hired or non-owned automobiles assigned to or used in performance of the Services. Certificate to reflect coverage for "Any Auto, All Owned, Scheduled, Hired or Non-Owned."
- d. All policies shall provide primary coverage and waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to any person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay for the insurance premium directly or indirectly and whether or not the person or entity had an insurable interest in the property damaged.
- e. The following policies shall include Additional Insured endorsements: Automobile Liability Insurance and Commercial General Liability.

15. **HOLD HARMLESS AND INDEMNIFICATION:** CSP shall protect, defend, indemnify and hold harmless the City, its officials, officers, employees and agents, from any and all claims, demands, losses, liens, fines, actions and causes of action (including administration or alternative dispute resolution proceedings) penalties or costs (including attorneys' fees) or liability for damages for personal injury or property damage caused by, occurring by reason of or resulting from the acts, errors or omissions of the CSP, its officers, directors, agents, employees, or volunteers, arising out of or in connection with this agreement or in any way arising from the performance or non-performance of the activities or services, duties and obligations required of the CSP as set forth in this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior

to such expiration or termination.

16. **Governing Law; Venue; Waiver of Jury Trial:** This Agreement shall be governed by and enforced using the laws of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Yavapai County, Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF SEDONA, ARIZONA

COMMUNITY SERVICE PROVIDER

HUMANE SOCIETY OF SEDONA

By: _____
Karen Osburn, City Manager

By: _____
Board President

Date: _____

Date: _____

ATTEST:

ATTEST:

JoAnne Cook, City Clerk

Executive Director

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

**COMMUNITY SERVICES PROVIDER AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
SEDONA COMMUNITY CENTER**

This COMMUNITY SERVICES PROVIDER AGREEMENT (this “Agreement”) is entered into this 13th day of June, 2023, between the City of Sedona, an Arizona municipal corporation (the “City”), and Adult Community Center of Sedona dba Sedona Community Center, a 501 (c)(3) nonprofit organization (“Community Services Provider” or “CSP”), collectively called the “parties”.

RECITALS

WHEREAS, the City is a municipal corporation organized under the laws of the State of Arizona and entitled to provide services and enter into contractual agreements for the purpose of obtaining services or benefits which it otherwise could provide; and

WHEREAS, the CSP operates and maintains a non-profit corporation that provides services and programs that benefit the residents who reside within the local community that can be used for this purpose; and

WHEREAS, the City and CSP desire to enter into this Agreement for the provision of certain services for the benefit of the residents of the City.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the mutual covenants contained herein, the parties agree as follows:

1. **Term:** The term of this Agreement is for three (3) years from July 1, 2023 to June 30, 2026.
2. **Payment:**
 - a. The CSP and the City acknowledge that the CSP services and facilities to be provided to Sedona residents are a direct public benefit to the City. The services benefiting the City are set forth below. As consideration for that value, the City will remit to CSP **Two Hundred Thirty-Six Thousand Dollars (\$236,000.00)** for FY24 (the “FY24 base amount”).
 - b. For FY25, beginning July 1, 2024 and ending June 30, 2025, the funding amount will be the FY24 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the “FY25 base amount”). The inflationary escalator shall not exceed five percent (5%).
 - c. For FY26, beginning July 1, 2025 and ending on June 30, 2026, the funding amount will be the FY25 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the “FY26 base amount”). The inflationary escalator shall not exceed five percent (5%).
 - d. All payments from the City to the CSP will be remitted in two (2) installments, by

the last day of the months of August and February of each fiscal year and are subject to the availability of funds from the City.

- e. If the services rendered do not meet the requirements of this Agreement, the CSP shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.

3. **Appropriation of Funds:** Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the CITY at the end of the period for which funds are available. No liability shall accrue to the CITY in the event this provision is exercised, and CITY shall not be obligated or liable for any future payments or for any damages resulting from termination under this provision.
4. **Community Services:** CSP shall provide the community services as defined in this Agreement and as necessary to accomplish the scope of work as defined below. The CSP shall furnish all services, labor, and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement.

Scope of Work:

- a. **Meals on Wheels:** The City shall pay CSP to assist with the "Meals on Wheels" program, which offers Sedona residents hot meals five days per week delivered to the home of the recipient in cases where the individual is unable to provide for his or her basic nutritional needs.
 - b. **Congregate Meals:** The City shall pay CSP to assist in a Congregate Meal program that CSP provides, which offers older residents of the community hot, nutritious meals in a social atmosphere at the Sedona Community Center. Volunteers prepare, serve, and clean up after the meal. CSP shall provide this service five days per week.
 - c. **Breakfast Club:** CSP shall provide homebound seniors with food on Friday's Meals on Wheels delivery to ensure seniors have access to food over the weekend.
5. **Marketing:** The CSP agrees that all printed materials created and distributed by the CSP with funds from the City shall contain a statement recognizing and acknowledging that funding has been provided by the City for such documents.
 6. **Financials:** The CSP shall use City funds only for CSP purposes and provide written accounting to the City describing the manner and use of City funds at the City's request. In addition, the CSP shall provide a copy of the IRS 990 form and a copy of its annual financial statements. The City shall have the right to audit the books of the Society at all reasonable times for the purpose of confirming the expenditures of City funds with reasonable notice to the CSP.
 7. **Reporting:** The CSP will provide an annual written report of accomplishments to include the following information and performance metrics:
 - a. Meals on Wheels
 - i. Number of meals delivered

- ii. Number of persons served
 - iii. Cost per meal
 - iv. Cost per meal comparisons to 3 benchmark organizations (preferably northern Arizona comparisons)
- b. Congregate Meals
 - i. Number of meals served
 - ii. Number of persons served
 - iii. Cost per meal
 - iv. Total value of donation revenue collected from participants
 - v. Cost per meal comparisons to 3 benchmark organizations (preferably northern Arizona comparisons)
- c. Breakfast Club
 - i. Number of weekend packages delivered
 - ii. Number of persons served
 - iii. Cost per weekend package
- d. Customer Satisfaction
 - i. Survey information (if available)
 - ii. Number of volunteer hours by program
- e. Number and type of community groups that utilize the Sedona Community Center's facilities
- f. Number and type of programs offered to the community free or with a fee (and provide fee schedule)

At the request of the City Manager, the CSP will also provide an annual verbal presentation to Council.

- 8. **City Liaison:** The City will appoint one (1) non-voting liaison to attend the CSP Board meetings to provide two-way communication between the City and the CSP. The CSP shall notify the City liaison of all CSP board meetings.
- 9. **Termination:** Either party may terminate this Agreement, without penalty, upon 30 days written notice to the other. Upon such termination, the parties shall assess the services rendered to the date of termination and the City shall make any necessary payment or CSP shall make any necessary reimbursement as may be required so that payment for the services rendered to the date of termination shall have been paid by the City on a proportional basis over the actual term of the Agreement.
- 10. **ADA:** The CSP must conform to the Americans with Disabilities Act of 1990, including changes made by the ADA Amendments Act of 2008 (P.L. 110-325) (ADA) and the Rehabilitation Act of 1973, as amended. This includes prohibiting discrimination against the handicapped in employment, programs, services, and activities and making reasonable accommodations to allow their full and equal access

to all such employment, programs, services, and activities. The CSP shall also comply with all other federal, state, and local regulations prohibiting unlawful discrimination in employment, programs, services, activities and contracting.

11. **Legal Compliance:** The CSP agrees to comply with all Federal, State, and City laws or regulations applicable to the CSP's business or services or to the performance of these services.

12. **Written Changes:** This Agreement contains the entire Agreement of the parties with respect to the subject matters hereof and it may be amended or modified only by an instrument in writing signed by both parties.

a. Written notices to City shall be sent to:

City Manager
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

b. Written notices to the CSP, shall be addressed to:

Executive Director
Sedona Community Center
2615 Melody Lane
Sedona, AZ 86336

13. **Independent Contractor:**

- a. The parties agree that the CSP provides specialized services and that the CSP enters this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute the CSP, nor any of its personnel, volunteers, or directors, as agents, employees, or representatives of the City.
- b. As an independent contractor, the CSP is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages that may arise during the operation of this Agreement.
- c. It is understood and agreed that the CSP is free to contract with other parties or to otherwise provide additional services.

14. **Insurance:** The CSP agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverages as requested by City, either in the initial bid, or prior to commencement of particular tasks. The CSP shall submit to City before any work is performed, certificates from the CSP's insurance carriers indicating the presence of coverages and limits of liability as follows:

a. Worker's Compensation Insurance:

Coverage A: Statutory benefits as required by the Labor Code of the State of Arizona.

Coverage B: Employer's Liability

Bodily Injury by accident \$1,000,000 each accident

Bodily Injury by disease \$1,000,000 policy limit

Bodily Injury by disease \$1,000,000 each employee

b. Commercial General or Business Liability Insurance (Occurrence Form) with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general

aggregate.

- c. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CSP's owned, hired or non-owned automobiles assigned to or used in performance of the Services. Certificate to reflect coverage for "Any Auto, All Owned, Scheduled, Hired or Non-Owned."
- d. All policies shall provide primary coverage and waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to any person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay for the insurance premium directly or indirectly and whether or not the person or entity had an insurable interest in the property damaged.
- e. The following policies shall include Additional Insured endorsements: Automobile Liability Insurance and Commercial General Liability.

15. **HOLD HARMLESS AND INDEMNIFICATION:** CSP shall protect, defend, indemnify and hold harmless the City, its officials, officers, employees and agents, from any and all claims, demands, losses, liens, fines, actions and causes of action (including administration or alternative dispute resolution proceedings) penalties or costs (including attorneys' fees) or liability for damages for personal injury or property damage caused by, occurring by reason of or resulting from the acts, errors or omissions of the CSP, its officers, directors, agents, employees, or volunteers, arising out of or in connection with this agreement or in any way arising from the performance or non-performance of the activities or services, duties and obligations required of the CSP as set forth in this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

16. **Governing Law; Venue; Waiver of Jury Trial:** This Agreement shall be governed by and enforced using the laws of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Yavapai County, Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.

(Signatures to follow on next page.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF SEDONA, ARIZONA

COMMUNITY SERVICE PROVIDER

SEDONA COMMUNITY CENTER

By: _____
Karen Osburn, City Manager

By: _____
Board President

Date: _____

Date: _____

ATTEST:

ATTEST:

JoAnne Cook, City Clerk

Director of Operations

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

**COMMUNITY SERVICES PROVIDER AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
SEDONA HISTORICAL SOCIETY**

This COMMUNITY SERVICES PROVIDER AGREEMENT (this “Agreement”) is entered into this 13th day of June, 2023, between the City of Sedona, an Arizona municipal corporation (the “City”), and Sedona Historical Society, a 501(c)(3) nonprofit organization (“Community Services Provider” or “CSP”), collectively called the “parties”.

RECITALS

WHEREAS, the City is the owner of the Park located at 735 Jordan Road, Sedona, Coconino County, State of Arizona (the “Park”); and

WHEREAS, CSP operates this Park as a historical museum in accordance with the 2020 Lease Agreement between the City of Sedona and the Sedona Historical Society (Exhibit A); and

WHEREAS, the City recognizes the value of the Museum and efforts of the CSP to preserve the community’s history and heritage; and

WHEREAS, since 1998, CSP has conducted historic preservation and educational activities and operations compatible with the land development code, historic nature of the Park, and for the general benefit of the community; and

WHEREAS, the City is a municipal corporation organized under the laws of the State of Arizona and entitled to provide services and enter into contractual agreements for the purpose of obtaining services or benefits which it otherwise could provide; and

WHEREAS, the City and CSP desire to enter into this Agreement for the provision of certain services for the benefit of the residents of the City.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the mutual covenants contained herein, the parties agree as follows:

1. **Term:** The term of this Agreement is for three (3) years from July 1, 2023 to June 30, 2026.
2. **Payment:**
 - a. The CSP and the City acknowledge that the CSP services and facilities to be provided to Sedona residents are a direct public benefit to the City. The services benefiting the City are set forth below. As consideration for that value, the City will remit to CSP **One Hundred Fifty Thousand Dollars (\$150,000.00)** for FY24 (the “FY24 base amount”).
 - b. For FY25, beginning July 1, 2024 and ending June 30, 2025, the funding amount will be the FY24 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period

- ending December of the prior year (the "FY25 base amount"). The inflationary escalator shall not exceed five percent (5%).
- c. For FY26, beginning July 1, 2025 and ending on June 30, 2026, the funding amount will be the FY25 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the "FY26 base amount"). The inflationary escalator shall not exceed five percent (5%).
 - d. All payments from the City to the CSP will be remitted in two (2) installments, by the last day of the months of August and February of each fiscal year and are subject to the availability of funds from the City.
 - e. If the services rendered do not meet the requirements of this Agreement, the CSP shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.
3. **Appropriation of Funds:** Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the CITY at the end of the period for which funds are available. No liability shall accrue to the CITY in the event this provision is exercised, and CITY shall not be obligated or liable for any future payments or for any damages resulting from termination under this provision.
4. **Community Services:** CSP shall provide the community services as defined in this Agreement and as necessary to accomplish the scope of work as defined below. The CSP shall furnish all services, labor and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement.

Scope of Work:

- a. CSP will continue to create a more sustainable future for the Museum by retaining a full-time professional director.
- b. CSP will coordinate historic preservation educational and public outreach functions. CSP will provide the following services to the City's Historic Preservation Commission (HPC) for the term of this Agreement:
 - i. Provide annual training to Historic Preservation Commissioners.
 - ii. Provide annual education and/or recognition for current and potential landmark owners as directed by the City of Sedona.
 - iii. Provide activities that will help to increase awareness of historic preservation throughout the community.
 - iv. The specifics of coordination with the HPC and the resulting specific scope of work will be agreed upon annually.
- c. CSP will operate the Museum in accordance with the existing lease agreement between the City and the CSP, included as Exhibit A of this agreement.
- d. CSP will provide free access to the Museum research library during Museum hours and will comply with all federal, state, and local regulations prohibiting unlawful discrimination in employment, programs, services, activities, and contracting.
- e. CSP services will be available to Sedona residents, regional residents, Sedona visitors, and educational opportunities for school children.
- f. CSP educational programs will continue to be free to attendees, or charge a minimal amount to cover expenses, unless they are specifically designated as fundraising events.

- g. CSP shall, by all practical and reasonable means, preserve the written and pictorial history of the Greater Sedona area, and provide protected storage of archival materials and artifacts.
 - h. CSP shall exhibit materials and artifacts that represent the history of the area.
 - i. CSP shall establish procedures that provide for public access to its collections and provide a copy of the procedure to the City.
5. **Marketing:** The CSP agrees that all printed materials created and distributed by the CSP with funds from the City shall contain a statement recognizing and acknowledging that funding has been provided by the City for such documents. CSP further agrees to include the City logo on all printed and electronic advertising materials or include a reference that the museum is located in a City of Sedona park.
6. **Financials:** The CSP shall use City funds only for CSP purposes and provide written accounting to the City describing the manner and use of City funds at the City's request. In addition, the CSP shall provide a copy of the IRS 990 form and a copy of its annual financial statements. The City shall have the right to audit the books of the CSP at all reasonable times for the purpose of confirming the expenditures of City funds with reasonable notice to the CSP.
7. **Reporting:** The CSP will provide an annual written report of accomplishments to include the following information and performance metrics:
- a. Number of museum attendees/year with origination information:
 - i. Percentage City residents
 - ii. Percentage regional residents
 - iii. Percentage non-residents
 - b. Number of educational programs presented each year, with a target of 50 per year. (This would not include fundraiser events or events solely hosted by other parties.)
 - i. Number or percentage free
 - ii. Number or percentage for a fee
 - iii. Evaluations from attendees
 - c. Number of hours/week museum is open.
 - d. Customer satisfaction survey results, with data to be captured during at least 20% of any year.
 - e. Museum revenues generated.
 - f. Number of requests for research assistance.
 - i. Number or percent of these from residents
 - g. Number of volunteer hours worked.
 - h. Satisfactory completion of annually agreed upon HPC events and projects. Evaluation to be jointly determined by CSP, HPC, and City.

At the request of the City Manager, the CSP will also provide periodic verbal presentations to Council.

8. **City Liaison:** The City will appoint one (1) non-voting liaison to attend the CSP Board meetings to provide two-way communication between the City and the CSP. The CSP shall notify the City liaison of all CSP board meetings.
9. **Termination:** Either party may terminate this Agreement, without penalty, upon 30 days

written notice to the other. Upon such termination, the parties shall assess the services rendered to the date of termination and the City shall make any necessary payment or CSP shall make any necessary reimbursement as may be required so that payment for the services rendered to the date of termination shall have been paid by the City on a proportional basis over the actual term of the Agreement.

10. **ADA:** The CSP must conform to the Americans with Disabilities Act of 1990, including changes made by the ADA Amendments Act of 2008 (P.L. 110-325) (ADA) and the Rehabilitation Act of 1973, as amended. This includes prohibiting discrimination against the handicapped in employment, programs, services and activities and making reasonable accommodations to allow their full and equal access to all such employment, programs, services, and activities. The CSP shall also comply with all other federal, state and local regulations prohibiting unlawful discrimination in employment, programs, services, activities and contracting.
11. **Legal Compliance:** The CSP agrees to comply with all Federal, State, and City laws or regulations applicable to the CSP's business or services or to the performance of these services.
12. **Written Changes:** This Agreement contains the entire Agreement of the parties with respect to the subject matters hereof and it may be amended or modified only by an instrument in writing signed by both parties.
 - a. Written notices to City shall be sent to:

City Manager
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336
 - b. Written notices to the CSP, shall be addressed to:

Executive Director or Board President/Vice President
Sedona Historical Society
735 Jordan Road
Sedona, AZ 86336
13. **Independent Contractor:**
 - a. The parties agree that the CSP provides specialized services and that the CSP enters this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute the CSP, nor any of its personnel, volunteers, or directors, as agents, employees, or representatives of the City.
 - b. As an independent contractor, the CSP is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages that may arise during the operation of this Agreement.
 - c. It is understood and agreed that the CSP is free to contract with other parties or to otherwise provide additional services.
14. **Insurance:** The CSP agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverages as requested by City, either in the initial bid, or prior to commencement of particular tasks. The CSP shall submit to City before any work is performed, certificates from the CSP's insurance carriers indicating the

presence of coverages and limits of liability as follows:

a. Worker's Compensation Insurance:

Coverage A: Statutory benefits as required by the Labor Code of the State of Arizona.

Coverage B: Employer's Liability

Bodily Injury by accident \$1,000,000 each accident

Bodily Injury by disease \$1,000,000 policy limit

Bodily Injury by disease \$1,000,000 each employee

- b. Commercial General or Business Liability Insurance (Occurrence Form) with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.
- c. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CSP's owned, hired or non-owned automobiles assigned to or used in performance of the Services. Certificate to reflect coverage for "Any Auto, All Owned, Scheduled, Hired or Non-Owned."
- d. All policies shall provide primary coverage and waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to any person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay for the insurance premium directly or indirectly and whether or not the person or entity had an insurable interest in the property damaged.
- e. The following policies shall include Additional Insured endorsements: Automobile Liability Insurance and Commercial General Liability.

15. **HOLD HARMLESS AND INDEMNIFICATION:** CSP shall protect, defend, indemnify and hold harmless the City, its officials, officers, employees and agents, from any and all claims, demands, losses, liens, fines, actions and causes of action (including administration or alternative dispute resolution proceedings) penalties or costs (including attorneys' fees) or liability for damages for personal injury or property damage caused by, occurring by reason of or resulting from the acts, errors or omissions of the CSP, its officers, directors, agents, employees, or volunteers, arising out of or in connection with this agreement or in any way arising from the performance or non-performance of the activities or services, duties and obligations required of the CSP as set forth in this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

16. **Governing Law; Venue; Waiver of Jury Trial:** This Agreement shall be governed by and enforced using the laws of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Yavapai County, Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.

(Signatures to follow on next page.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF SEDONA, ARIZONA

COMMUNITY SERVICE PROVIDER

SEDONA HISTORICAL SOCIETY

By: _____
Karen Osburn, City Manager

By: _____
Board President

Date: _____

Date: _____

ATTEST:

ATTEST:

JoAnne Cook, City Clerk

Board Vice President

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

Exhibits

Exhibit A: 2022 Lease Agreement

**COMMUNITY SERVICES PROVIDER AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
SEDONA PUBLIC LIBRARY, INC.**

This COMMUNITY SERVICES PROVIDER AGREEMENT (this “Agreement”) is entered into this 13th day of June, 2023, between the City of Sedona, an Arizona municipal corporation (the “City”), and Sedona Public Library, Inc., a 501 (c)(3) nonprofit organization (“Community Services Provider” or “CSP”), collectively called the “parties”.

RECITALS

WHEREAS, the City is a municipal corporation organized under the laws of the State of Arizona and entitled to provide services and enter into contractual agreements for the purpose of obtaining services or benefits which it otherwise could provide; and

WHEREAS, the City needs a public library, and pursuant to A.R.S. § 9-411 et seq., and may utilize funds for the benefit of a public library and the City and the CSP recognize the need to cooperate in the provision of library services for the residents of the City; and

WHEREAS, the CSP operates and maintains the Sedona Public Library as part of the public library system created by the Coconino County and Yavapai County Free Library Districts; and

WHEREAS, the City and CSP desire to enter into this Agreement for the provision of library services for the benefit of the residents of the City.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the mutual covenants contained herein, the parties agree as follows:

1. **Term:** The term of this Agreement is for three (3) years from July 1, 2023 to June 30, 2026.
2. **Payment:**
 - a. The CSP and the City acknowledge that the CSP services and facilities to be provided to Sedona residents are a direct public benefit to the City. The services benefiting the City are set forth below. As consideration for that value, the City will remit to CSP **Eight Hundred Sixty-Five Thousand Two Hundred Dollars (\$865,200.00)** for FY24 (the “FY24 base amount”).
 - b. For FY25, beginning July 1, 2024 and ending June 30, 2025, the funding amount will be the FY24 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the “FY25 base amount”). The inflationary escalator shall not exceed five percent (5%).
 - c. For FY26, beginning July 1, 2025 and ending on June 30, 2026, the funding amount will be the FY25 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the

previous 12-month period ending December of the prior year (the “FY26 base amount”). The inflationary escalator shall not exceed five percent (5%).

- d. All payments from the City to the CSP will be remitted in two (2) installments, by the last day of the months of August and February of each fiscal year and are subject to the availability of funds from the City.
- e. If the services rendered do not meet the requirements of this Agreement, the CSP shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.

3. **Appropriation of Funds:** Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the CITY at the end of the period for which funds are available. No liability shall accrue to the CITY in the event this provision is exercised, and CITY shall not be obligated or liable for any future payments or for any damages resulting from termination under this provision.

4. **Community Services:** CSP shall provide the community services as defined in this Agreement and as necessary to accomplish the scope of work as defined below. The CSP shall furnish all services, labor, and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement.

Scope of Work:

- a. Library building will be open 48 hours or more weekly to serve Sedona residents and visitors and provide:
 - 1. public access computers
 - 2. reference and lending materials
 - 3. meeting rooms for community activities
 - 4. educational and cultural programs and displays
- b. Website with access to Yavapai Library Network 24 hours a day, 7 days a week.

Public Access: All residents of the City shall have full nonexclusive use of the library facilities and services according to the use policies of the library.

5. **Marketing:** The CSP agrees that all printed materials created and distributed by the CSP with funds from the City shall contain a statement recognizing and acknowledging that funding has been provided by the City for such documents.

6. **Financials:** The CSP shall use City funds only for CSP purposes and provide written accounting to the City describing the manner and use of City funds at the City's request. In addition, the CSP shall provide a copy of the IRS 990 form and a copy of its annual financial statements. The City shall have the right to audit the books of the Library at all reasonable times for the purpose of confirming the expenditures of City funds with reasonable notice to the CSP.

7. **Reporting:** The CSP will provide an annual written report of accomplishments and future plans to include the following information and performance metrics:

- a. Public Access Computers and Wi-Fi
 - 1. Number of library computers and hours of public use

2. Speed of Wi-Fi, hours of availability, and number of uses
3. Number and type of technology available for check-out
 4. Lending Materials- Print, digital, and Library of Things collection size, turnover rate, and plans for future collection development
5. Total circulation
 - i. Number of items checked out
 - ii. Digital downloads
 - iii. Circulation per active cardholder
6. Amount of circulation Sedona Public Library compared to circulation within Yavapai Library Network (inter-library loan)
 - i. Borrowed From/Loaned To
7. Traffic (From Counters)
8. Total Number of Cardholders (city vs. non-city)
9. Number of New Cards Issued
- b. Meeting Rooms for Community Activities
 1. Number of community organizations using rooms
 2. Number of uses
- c. Educational and Cultural Programs
 1. Number of programs and attendance
- d. Customer Satisfaction
 1. Survey information (if available)
 2. Number of volunteer hours worked
 3. Number of staff hours worked

At the request of the City Manager, the CSP will also provide an annual verbal presentation to Council.

8. **Facility Usage:** The CSP shall provide use of meeting rooms at no charge to the City for public meetings if the space is available. The City shall provide reasonable notice to the CSP to facilitate scheduling of room usage.
9. **City Liaison:** The City will appoint one (1) non-voting liaison to attend the CSP Board meetings to provide two-way communication between the City and the CSP. The CSP shall notify the City liaison of all CSP board meetings.
10. **Termination:** Either party may terminate this Agreement, without penalty, upon 30 days written notice to the other. Upon such termination, the parties shall assess the services rendered to the date of termination and the City shall make any necessary payment or CSP shall make any necessary reimbursement as may be required so that payment for the services rendered to the date of termination shall have been paid by the City on a proportional basis over the actual term of the Agreement.
11. **ADA:** The CSP must conform to the Americans with Disabilities Act of 1990, including changes made by the ADA Amendments Act of 2008 (P.L. 110-325) (ADA) and the Rehabilitation Act of 1973, as amended. This includes prohibiting discrimination against the handicapped in employment, programs, services, and activities and making reasonable accommodations to allow their full and equal access to all such

employment, programs, services, and activities. The CSP shall also comply with all other federal, state, and local regulations prohibiting unlawful discrimination in employment, programs, services, activities and contracting.

12. **Legal Compliance:** The CSP agrees to comply with all Federal, State, and City laws or regulations applicable to the CSP's business or services or to the performance of these services.

13. **Written Changes:** This Agreement contains the entire Agreement of the parties with respect to the subject matters hereof and it may be amended or modified only by an instrument in writing signed by both parties.

a. Written notices to City shall be sent to:

City Manager
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

b. Written notices to the CSP, shall be addressed to:

Executive Director
Sedona Public Library
3250 White Bear Road
Sedona, AZ 86336

14. **Independent Contractor:**

- a. The parties agree that the CSP provides specialized services and that the CSP enters this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute the CSP, nor any of its personnel, volunteers, or directors, as agents, employees, or representatives of the City.
- b. As an independent contractor, the CSP is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages that may arise during the operation of this Agreement.
- c. It is understood and agreed that the CSP is free to contract with other parties or to otherwise provide additional services.

15. **Insurance:** The CSP agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverages as requested by City, either in the initial bid, or prior to commencement of particular tasks. The CSP shall submit to City before any work is performed, certificates from the CSP's insurance carriers indicating the presence of coverages and limits of liability as follows:

a. Worker's Compensation Insurance:

Coverage A: Statutory benefits as required by the Labor Code of the State of Arizona.

Coverage B: Employer's Liability

Bodily Injury by accident \$1,000,000 each accident

Bodily Injury by disease \$1,000,000 policy limit

Bodily Injury by disease \$1,000,000 each employee

b. Commercial General or Business Liability Insurance (Occurrence Form) with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general

aggregate.

- c. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CSP's owned, hired or non-owned automobiles assigned to or used in performance of the Services. Certificate to reflect coverage for "Any Auto, All Owned, Scheduled, Hired or Non-Owned."
- d. All policies shall provide primary coverage and waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to any person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay for the insurance premium directly or indirectly and whether or not the person or entity had an insurable interest in the property damaged.
- e. The following policies shall include Additional Insured endorsements: Automobile Liability Insurance and Commercial General Liability.

16. **HOLD HARMLESS AND INDEMNIFICATION:** CSP shall protect, defend, indemnify and hold harmless the City, its officials, officers, employees and agents, from any and all claims, demands, losses, liens, fines, actions and causes of action (including administration or alternative dispute resolution proceedings) penalties or costs (including attorneys' fees) or liability for damages for personal injury or property damage caused by, occurring by reason of or resulting from the acts, errors or omissions of the CSP, its officers, directors, agents, employees, or volunteers, arising out of or in connection with this agreement or in any way arising from the performance or non-performance of the activities or services, duties and obligations required of the CSP as set forth in this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

17. **Governing Law; Venue; Waiver of Jury Trial:** This Agreement shall be governed by and enforced using the laws of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Yavapai County, Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.

(Signatures to follow on next page.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF SEDONA, ARIZONA

COMMUNITY SERVICE PROVIDER
THE SEDONA PUBLIC LIBRARY, INC.

By: _____
Karen Osburn, City Manager

By: _____
Board President

Date: _____

Date: _____

ATTEST:

ATTEST:

JoAnne Cook, City Clerk

Executive Director

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

**COMMUNITY SERVICES PROVIDER AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
SEDONA RECYCLES, INC.**

This COMMUNITY SERVICES PROVIDER AGREEMENT (this “Agreement”) is entered into this 13th day of June, 2023, between the City of Sedona, an Arizona municipal corporation (the “City”), and Sedona Recycles, Inc., a 501(c)(3) nonprofit organization (“Community Services Provider” or “CSP”), collectively called the “parties”.

RECITALS

WHEREAS, the City is the owner of the Facility located at 2280 Shelby Drive, Sedona, Yavapai County, State of Arizona 86336 (the “Facility”); and

WHEREAS, CSP operates this Facility as a public recycling center in accordance with the 2023 Lease Agreement between the City and CSP (Exhibit A); and

WHEREAS, the CSP operates and maintains the CSP as a non-profit corporation that provides services and programs that benefit the residents who reside within the local community. The services provided by CSP constitute a major public service and benefit that enhances the quality of life in Sedona and elsewhere through protection of the environment, and preservation of natural resources by encouraging the recycling of reusable materials and providing a venue for citizens to drop off recyclable materials; and CSP provides public education and promotes community opportunities to reduce, reuse and recycle that which can be used for this purpose,

WHEREAS, the City is a municipal corporation organized under the laws of the State of Arizona and is entitled to provide services and enter into contractual agreements for the purpose of obtaining services or benefits which it otherwise could provide; and

WHEREAS, the City and CSP desire to enter into this Agreement for the provision of certain services for the benefit of the residents of the City.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the mutual covenants contained herein, the parties agree as follows:

1. **Term:** The term of this Agreement is for three (3) years from July 1, 2023 to June 30, 2026.
2. **Payment:**
 - a. The CSP and the City acknowledge that the CSP services and facilities to be provided to Sedona residents are a direct public benefit to the City. The services benefiting the City are set forth below. As consideration for that value, the City will remit to CSP **Two Hundred Fifty Thousand Dollars (\$250,000.00)** for FY24 (the “FY24 base amount”).
 - b. For FY25, beginning July 1, 2024 and ending June 30, 2025, the funding amount

will be the FY24 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the "FY25 base amount"). The inflationary escalator shall not exceed five percent (5%).

- c. For FY26, beginning July 1, 2025 and ending on June 30, 2026, the funding amount will be the FY25 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the "FY26 base amount"). The inflationary escalator shall not exceed five percent (5%).
- d. All payments from the City to the CSP will be remitted in two (2) installments, by the last day of the months of August and February of each fiscal year and are subject to the availability of funds from the City.
- e. If the services rendered do not meet the requirements of this Agreement, the CSP shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.

3. **Appropriation of Funds:** Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the CITY at the end of the period for which funds are available. No liability shall accrue to the CITY in the event this provision is exercised, and CITY shall not be obligated or liable for any future payments or for any damages resulting from termination under this provision.

4. **Community Services:** CSP shall provide the community services as defined in this Agreement and as necessary to accomplish the scope of work as defined below. The CSP shall furnish all services, labor, and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement.

Scope of Work:

CSP will provide voluntary drop-off recycling facilities at a location within the City for the purpose of collecting, separating, and processing various recyclable materials, including aluminum cans, steel cans, glass bottles and containers, cardboard, paper, block Styrofoam, household batteries, and plastics, and shall be responsible to pay the cost of operating said facilities. CSP will also provide recycling materials pick up services for the City Hall Complex located at 102 Roadrunner Drive, Sedona, Arizona 86336, as well as community outreach and education regarding the fundamentals of recycling.

5. **Recycling Drop-off Site(s):** After obtaining permission from City staff, CSP may utilize off-site City property to serve as community recycling drop-off sites. CSP will determine and prescribe a pickup schedule based on usage and bins will be serviced as often as necessary. CSP is responsible for clean-up of all materials left at each site, recyclable or otherwise. (The site is designated as the area where recycling bins provided by CSP reside and the immediate area surrounding bins.) City staff must approve any signage for the drop-off site and no off-site drop-off signage will be permitted. The City is not liable for any damage to person or property that occurs at the recycling drop-off site(s).

6. **Leased Property:** In lieu of rent payments for the City owned property located at 2280 Shelby Drive (0.45 acres), Yavapai County, State of Arizona, CSP agrees to operate and manage the property in conformance with the terms of this agreement. Lessee acknowledges that Lessor has wastewater facilities located such that it will be necessary for Lessor to have vehicular access to maintain or repair said facilities, and further Lessee agrees to not place materials or facilities over manholes and to arrange materials so that Lessor has vehicular access to manholes from the Shelby Drive frontage.
7. **ADEQ Requirements:** Inasmuch as the City of Sedona submitted to the State of Arizona Department of Environmental Quality on November 3, 2003, a Notice of Intent to be permitted under the terms of Arizona Pollutant Discharge Elimination System General Permit for Discharge AZG-2002-002, which prohibits non-stormwater discharges to storm drainage systems, except certain specified non-significant contributors, and further that Sedona City Code Section 9-2-2 (B) identifies littered exterior areas in or upon public places as a nuisance, CSP shall inspect the drainage ways adjacent to and on the leased property for debris, trash and other material that may have come from its operations and remove and properly dispose of such material. The city requests that CSP inspects the area at least once a week.
8. **Marketing:** The CSP agrees that all printed materials created and distributed by the CSP with funds from the City shall contain a statement recognizing and acknowledging that funding has been provided by the City for such documents.
9. **Financials:** The CSP shall use City funds only for CSP purposes and provide written accounting to the City describing the manner and use of City funds at the City's request. In addition, the CSP shall provide a copy of the IRS 990 form and a copy of its annual financial statements. The City shall have the right to audit the books of the Society at all reasonable times for the purpose of confirming the expenditures of City funds with reasonable notice to the CSP.
10. **Reporting:** The CSP will provide an annual written report of accomplishments to include the following information and performance metrics:
 - a. Estimated percentage of Residents vs. Non-Residents served
 - b. Estimated number of Individual City of Sedona Residents served
 - c. Geographic area served (specific boundaries)
 - d. Total number of collections sites within Sedona City limits
 - e. Item and tonnage of materials recycled from each collection site within Sedona City limits.
 - f. Item and tonnage of materials recycled in total from outside Sedona City limits
 - g. Percentage of collected materials recycled or reused
 - h. Revenue amounts by recycling source (such as glass, aluminum, etc.).
 - i. Number of hours of community outreach and education provided.
 - j. Customer satisfaction survey information (if available).
 - k. Materials recycled cost per ton, by category

At the request of the City Manager, the CSP will also provide an annual verbal presentation to Council.

11. **City Liaison:** The City will appoint one (1) non-voting liaison to attend the CSP Board

meetings to provide two-way communication between the City and the CSP. The CSP shall notify the City liaison of all CSP board meetings.

12. **Termination:** Either party may terminate this Agreement, without penalty, upon 30 days written notice to the other. Upon such termination, the parties shall assess the services rendered to the date of termination and the City shall make any necessary payment or CSP shall make any necessary reimbursement as may be required so that payment for the services rendered to the date of termination shall have been paid by the City on a proportional basis over the actual term of the Agreement.
13. **ADA:** The CSP must conform to the Americans with Disabilities Act of 1990, including changes made by the ADA Amendments Act of 2008 (P.L. 110-325) (ADA) and the Rehabilitation Act of 1973, as amended. This includes prohibiting discrimination against the handicapped in employment, programs, services, and activities and making reasonable accommodations to allow their full and equal access to all such employment, programs, services, and activities. The CSP shall also comply with all other federal, state, and local regulations prohibiting unlawful discrimination in employment, programs, services, activities and contracting.
14. **Legal Compliance:** The CSP agrees to comply with all Federal, State, and City laws or regulations applicable to the CSP's business or services or to the performance of these services.
15. **Written Changes:** This Agreement contains the entire Agreement of the parties with respect to the subject matters hereof and it may be amended or modified only by an instrument in writing signed by both parties.
 - a. Written notices to City shall be sent to:

City Manager
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336
 - b. Written notices to the CSP, shall be addressed to:

Executive Director
Sedona Recycles, Inc.
2280 Shelby Drive
Sedona, AZ 86336
16. **Independent Contractor:**
 - a. The parties agree that the CSP provides specialized services and that the CSP enters this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute the CSP, nor any of its personnel, volunteers, or directors, as agents, employees, or representatives of the City.
 - b. As an independent contractor, the CSP is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages that may arise during the operation of this Agreement.
 - c. It is understood and agreed that the CSP is free to contract with other parties or to otherwise provide additional services.

17. **Insurance:** The CSP agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverages as requested by City, either in the initial bid, or prior to commencement of particular tasks. The CSP shall submit to City before any work is performed, certificates from the CSP's insurance carriers indicating the presence of coverages and limits of liability as follows:
- a. **Worker's Compensation Insurance:**
 - Coverage A: Statutory benefits as required by the Labor Code of the State of Arizona.
 - Coverage B: Employer's Liability
 - Bodily Injury by accident \$1,000,000 each accident
 - Bodily Injury by disease \$1,000,000 policy limit
 - Bodily Injury by disease \$1,000,000 each employee
 - b. Commercial General or Business Liability Insurance (Occurrence Form) with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.
 - c. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CSP's owned, hired or non-owned automobiles assigned to or used in performance of the Services. Certificate to reflect coverage for "Any Auto, All Owned, Scheduled, Hired or Non-Owned."
 - d. All policies shall provide primary coverage and waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to any person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay for the insurance premium directly or indirectly and whether or not the person or entity had an insurable interest in the property damaged.
 - e. The following policies shall include Additional Insured endorsements: Automobile Liability Insurance and Commercial General Liability.
18. **HOLD HARMLESS AND INDEMNIFICATION:** CSP shall protect, defend, indemnify and hold harmless the City, its officials, officers, employees and agents, from any and all claims, demands, losses, liens, fines, actions and causes of action (including administration or alternative dispute resolution proceedings) penalties or costs (including attorneys' fees) or liability for damages for personal injury or property damage caused by, occurring by reason of or resulting from the acts, errors or omissions of the CSP, its officers, directors, agents, employees, or volunteers, arising out of or in connection with this agreement or in any way arising from the performance or non-performance of the activities or services, duties and obligations required of the CSP as set forth in this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.
19. **Governing Law; Venue; Waiver of Jury Trial:** This Agreement shall be governed by and enforced using the laws of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Yavapai County, Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF SEDONA, ARIZONA

COMMUNITY SERVICE PROVIDER

SEDONA RECYCLES, INC.

By: _____
Karen Osburn, City Manager

By: _____
Board Chair

Date: _____

Date: _____

ATTEST:

ATTEST:

JoAnne Cook, City Clerk

Executive Director

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

Exhibits

Exhibit A: 2023 Lease Agreement

**COMMUNITY SERVICES PROVIDER AGREEMENT
BETWEEN
THE CITY OF SEDONA, ARIZONA
AND
VERDE VALLEY CAREGIVERS COALITION**

This COMMUNITY SERVICES PROVIDER AGREEMENT (this “Agreement”) is entered into this 13th day of June, 2023, between the City of Sedona, an Arizona municipal corporation (the “City”), and Verde Valley Caregivers Coalition, a 501 (c)(3) nonprofit organization (the “Community Services Provider” or “CSP”), collectively called the “parties”.

RECITALS

WHEREAS, the City is a municipal corporation organized under the laws of the State of Arizona and entitled to provide services and enter into contractual agreements for the purpose of obtaining services or benefits which it otherwise could provide; and

WHEREAS, the City is in need of demand response special needs transportation for the benefit of residents of the City, in order to support adults in need of assistance maintaining their independence and quality of life at home and CSP desires to provide transportation services for the benefit of the residents of the City; and

WHEREAS, the CSP operates and maintains a non-profit corporation that provides special needs transportation services and programs that benefit the residents who reside within the local community that can be used for this purpose; and

WHEREAS, the City and CSP desire to enter into this Agreement for the provision of certain services for the benefit of the residents of the City.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the mutual covenants contained herein, the parties agree as follows:

1. **Term:** The term of this Agreement is for three (3) years from July 1, 2023 to June 30, 2026.
2. **Payment:**
 - a. The CSP and the City acknowledge that the CSP services and facilities to be provided to Sedona residents are a direct public benefit to the City. The services benefiting the City are set forth below. As consideration for that value, the City will remit to CSP **Eighty Thousand Dollars (\$80,000.00)** for FY24 (the “FY24 base amount”).
 - b. For FY25, beginning July 1, 2024 and ending June 30, 2025, the funding amount will be the FY24 base amount plus the inflationary escalator in accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the “FY25 base amount”). The inflationary escalator shall not exceed five percent (5%).
 - c. For FY26, beginning July 1, 2025 and ending on June 30, 2026, the funding amount will be the FY25 base amount plus the inflationary escalator in

accordance with the Bureau of Labor Statistics CPI-U for the West Region for the previous 12-month period ending December of the prior year (the "FY26 base amount"). The inflationary escalator shall not exceed five percent (5%).

- d. All payments from the City to the CSP will be remitted in two (2) installments, by the last day of the months of August and February of each fiscal year and are subject to the availability of funds from the City.
- e. If the services rendered do not meet the requirements of this Agreement, the CSP shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.

3. **Appropriation of Funds:** Every payment obligation of the CITY under this Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the CITY at the end of the period for which funds are available. No liability shall accrue to the CITY in the event this provision is exercised, and CITY shall not be obligated or liable for any future payments or for any damages resulting from termination under this provision.

4. **Community Services:** CSP shall provide the community services as defined in this Agreement and as necessary to accomplish the scope of work as defined below. The CSP shall furnish all services, labor, and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement.

Scope of Work:

Demand-Response Special Needs Transportation: The City shall support CSP's operations to provide door-to-door Demand-Response Special Needs Transportation to eligible Sedona residents to destinations within Sedona, throughout the Verde Valley, and to Flagstaff, Prescott and the Phoenix region for health care appointments. CSP will provide transportation for eligible Sedona residents to destinations throughout the Verde Valley for grocery shopping and other errands. CSP will complete an eligibility screening for each resident requesting transportation services. CSP will provide transportation in wheelchair accessible vehicles for residents requiring the use of a wheelchair.

5. **Marketing:** The CSP agrees that all printed materials created and distributed by the CSP with funds from the City shall contain a statement recognizing and acknowledging that funding has been provided by the City for such documents.

6. **Financials:** The CSP shall use City funds only for CSP purposes and provide written accounting to the City describing the manner and use of City funds at the City's request. In addition, the CSP shall provide a copy of the IRS 990 form and a copy of its annual financial statements. The City shall have the right to audit the books of the Society at all reasonable times for the purpose of confirming the expenditures of City funds with reasonable notice to the CSP.

7. **Reporting:** The CSP will provide an annual written report of accomplishments to include the following information and performance metrics:

- Total number of unduplicated clients receiving CSP transportation vs. total trips

provided

- Total trips provided by CAT for wheelchair bound clients
- Total trips provided to destinations outside Sedona and the Verde Valley (Flagstaff, Prescott, Phoenix metro area)
- Percent primary trip purpose for health care appointments and pharmacy
- Percent primary trip purpose for grocery shopping with secondary destinations (bank, Post Office, etc.)
- Annual expenditures by major category
- Annual revenues by source
- CSP cost per trip
- CSP cost per trip compared to three other like organizations
- Client demographics:
 - Living alone
 - Unable to drive and spouse or partner unable to drive
 - Clients using wheelchairs
 - Clients using walkers or other assistive devices
 - Average Age

At the request of the City Manager, the CSP will also provide an annual verbal presentation to Council.

8. **City Liaison:** The City will appoint one (1) non-voting liaison to attend the CSP Board meetings to provide two-way communication between the City and the CSP. The CSP shall notify the City liaison of all CSP board meetings.
9. **Termination:** Either party may terminate this Agreement, without penalty, upon 30 days written notice to the other. Upon such termination, the parties shall assess the services rendered to the date of termination and the City shall make any necessary payment or CSP shall make any necessary reimbursement as may be required so that payment for the services rendered to the date of termination shall have been paid by the City on a proportional basis over the actual term of the Agreement.
10. **ADA:** The CSP must conform to the Americans with Disabilities Act of 1990, including changes made by the ADA Amendments Act of 2008 (P.L. 110-325) (ADA) and the Rehabilitation Act of 1973, as amended. This includes prohibiting discrimination against the handicapped in employment, programs, services, and activities and making reasonable accommodations to allow their full and equal access to all such employment, programs, services, and activities. The CSP shall also comply with all other federal, state, and local regulations prohibiting unlawful discrimination in employment, programs, services, activities and contracting.
11. **Legal Compliance:** The CSP agrees to comply with all Federal, State, and City laws or regulations applicable to the CSP's business or services or to the performance of these services.
12. **Written Changes:** This Agreement contains the entire Agreement of the parties with respect to the subject matters hereof and it may be amended or modified only by an instrument in writing signed by both parties.
 - a. Written notices to City shall be sent to:

City Manager
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

b. Written notices to the CSP, shall be addressed to:

Executive Director
Verde Valley Caregivers Coalition
299 Van Deren Rd, Suite 2
Sedona, AZ 86336

13. Independent Contractor:

- a. The parties agree that the CSP provides specialized services and that the CSP enters this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute the CSP, nor any of its personnel, volunteers, or directors, as agents, employees, or representatives of the City.
- b. As an independent contractor, the CSP is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages that may arise during the operation of this Agreement.
- c. It is understood and agreed that the CSP is free to contract with other parties or to otherwise provide additional services.

14. Insurance: The CSP agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverages as requested by City, either in the initial bid, or prior to commencement of particular tasks. The CSP shall submit to City before any work is performed, certificates from the CSP's insurance carriers indicating the presence of coverages and limits of liability as follows:

- a. Worker's Compensation Insurance:
 - Coverage A: Statutory benefits as required by the Labor Code of the State of Arizona.
 - Coverage B: Employer's Liability
 - Bodily Injury by accident \$1,000,000 each accident
 - Bodily Injury by disease \$1,000,000 policy limit
 - Bodily Injury by disease \$1,000,000 each employee
- b. Commercial General or Business Liability Insurance (Occurrence Form) with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.
- c. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CSP's owned, hired or non-owned automobiles assigned to or used in performance of the Services. Certificate to reflect coverage for "Any Auto, All Owned, Scheduled, Hired or Non-Owned."
- d. All policies shall provide primary coverage and waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to any person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay for the insurance premium directly or indirectly and whether or not the person or entity had an insurable interest in the property damaged.

e. The following policies shall include Additional Insured endorsements: Automobile Liability Insurance and Commercial General Liability.

15. **HOLD HARMLESS AND INDEMNIFICATION:** CSP shall protect, defend, indemnify and hold harmless the City, its officials, officers, employees and agents, from any and all claims, demands, losses, liens, fines, actions and causes of action (including administration or alternative dispute resolution proceedings) penalties or costs (including attorneys' fees) or liability for damages for personal injury or property damage caused by, occurring by reason of or resulting from the acts, errors or omissions of the CSP, its officers, directors, agents, employees, or volunteers, arising out of or in connection with this agreement or in any way arising from the performance or non-performance of the activities or services, duties and obligations required of the CSP as set forth in this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

16. **Governing Law; Venue; Waiver of Jury Trial:** This Agreement shall be governed by and enforced using the laws of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Yavapai County, Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

CITY OF SEDONA, ARIZONA

COMMUNITY SERVICE PROVIDER

VERDE VALLEY CAREGIVERS COALITION

By: _____
Karen Osburn, City Manager

By: _____
Board President

Date: _____

Date: _____

ATTEST:

ATTEST:

JoAnne Cook, City Clerk

Executive Director

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney



102 Roadrunner Dr.
Sedona, AZ 86336
(928) 203-5040
sedonaaz.gov

Citizens Budget Work Group Comments Summary for Sedona Public Library's FY24 Funding Request

In response to the City Manager's FY24 budget recommendation for the Sedona Public Library ("Library"), the Citizens Budget Work Group ("CBWG") had the below comments.

1. The Library's funding request increased by over 60% which is skewed in comparison to the approximate 15% increased funding requested by other community service providers.
2. The CBWG is concerned that the Library's funding request increase will lead the City to an annual \$1,000,000.00 funding commitment due to the inflationary escalator clause in the community service provider agreement.
3. The Library intends to undertake an approximately \$8,000,000.00 capital improvement project and the CBWG is concerned this project will result in increased operating costs that will eventually find their way into the community service provider funding request. The CBWG also believes this capital improvement project is expensive and grander than is typical for a city of approximately 10,000 residents.
4. The CBWG is concerned that providing the Library a funding increase of over 60% may result in the Library expecting the City to fund 50% of the Library's operating costs, without the City being permitted to directly question expenditures and salaries since the Library is a non-profit.
5. With items such as books and periodicals going digital, the CBWG believes the Library's facility and person power needed should go down.
6. The CBWG believes the Library needs to be held accountable for managing costs.

City Manager's Office



**CITY COUNCIL
AGENDA BILL**

**AB 2962
June 13, 2023
Regular Business**

Agenda Item: 8d
Proposed Action & Subject: Discussion/possible action on the approval of a Professional Services Contract for design services for the ST-08, SR89a and Forest Road Roundabout with Kimley Horn, Inc. in the approximate amount of \$385,040.

Department Public Works
Time to Present 10 minutes
Total Time for Item 30 minutes
Other Council Meetings October 12, 2022
Exhibits A. Scope and Fee Professional Services Contract – Forest/Ranger/SR89a Final Design
 B. Concept Design Plan Map

City Attorney Approval	Reviewed 6/05/23 KWC	Expenditure Required	
		\$ 385,040	
City Manager's Recommendation	Approve award of a professional services contract for the design of the SR89a and Forest Road Roundabout in the amount not-to-exceed \$385,040	Amount Budgeted	
		\$ 450,000 (FY24 Proposed Budget)	
		Account No. 22-5320-89-68C5 (Description) (ST-08 Forest/Ranger/SR89A Intersection Improvements)	
		Finance Approval <input checked="" type="checkbox"/>	

SUMMARY STATEMENT

Staff is requesting approval of a professional services contract with Kimley Horn, Inc. in the amount of \$385,040 for the design of the Forest/Ranger/SR89a Roundabout. The design development of the intersection project will follow the recommendations from the December 2022 study.

Background:

ST-08 Forest/Ranger/SR89a Intersection Improvements

The project objective is to improve safety and operations for both the intersection and the surrounding roadway network to realize an overall system wide benefit to travelers. The Project need was outlined in the December 2022 study. The study is supported by City Council and the community at the October 2022 SIM Update Presentation to improve traffic flow, support transit and provide non-motorized alternatives by improving walkability and rideability. The

priority of this project has increased with development of adjacent SIM projects, such as; the current Forest Road Connection, pending Uptown Northbound Improvements, potential Uptown Parking Garage, the future RIDE Exchange (Transit) and adjacent roadway connections (Brewer/Ranger/Portal Intersection). To alleviate Uptown traffic and for safety evacuation, the City has studied, designed and is currently constructing the Forest Road Connection. Which provides secondary access from West Sedona into Uptown. The next, equally critical, stage is the study and design of the new intersection at the Forest Road Connection to SR 89a. The north leg will include the Forest Road Connection while the south leg will include the Ranger Connection which extends to SR 179 running through the planned RIDE Exchange.

Per the study, it is recommended the *Urban Double Lane Roundabout* be implemented for final design and construction based on the evaluation.

Schedule:

In February 2023, staff completed a design consultant selection review. A scope and fee for professional services proposal was received on March 6, 2023. The final version is included as Exhibit A. If approved, the design would start in July 2023 and reach final 100% design in the Spring 2024.

Procurement Method:

The design consultant selection as per the Arizona Procurement Code to determine a suitable consultant through the Public Works' pre-qualified consultant list was completed. The selected consultant is Kimley Horn. The selection was based on several criteria qualifications. Primarily, experience, level of service and years of experience working in Sedona, as well as with the City. It was agreed that a high value work product is attained in having a reduced learning curve, increased consistency, productivity for a shorter design timeline by using the same design team as adjacent projects. Staff then reached out to Kimley Horn (KH) for a Request for Proposal, based on a detailed Scope of Services. A scope and fee for professional services proposal was received on March 6, 2023. After an in-house review and subsequent negotiation discussion, our selection process was completed, resulting in an acceptance of the KH proposal in accordance with ARS § 34-103 (maximum threshold - \$500,000.00). The final version is included as Exhibit A.

Budget:

This project is anticipated to be completed next fiscal year (FY24) and is within the amount budgeted. Staff agree to the final scope and cost estimate for the design, and agree they are reasonable, appropriate, and no errors were found.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

In the Climate Action Plan, transportation related desired actions include pedestrian infrastructure, and reduced congestion. Identified strategies include developing and maintaining a safe, convenient, and effective system for walking with increased connectivity and other active forms of transportation. This project addresses those desired actions and strategies. Improved walkability reduces reliance on vehicular travel. The design elements of this project help improve interaction between pedestrian and vehicular traffic, improving safety and reducing congestion. Reduced congestion will reduce vehicle operation time overall.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

Council could elect not to approve the contract for professional design services; however, this action would have the effect of either delaying, or preventing the project from being carried out resulting in continued conflicts between pedestrian and vehicular traffic within the SR89a/179 corridor through Uptown and through Schnebly Hill Roundabout.

MOTION

I move to: approve award of a professional services contract for design services for the ST-08, SR89a and Forest Road Roundabout with Kimley Horn, Inc. in an amount not-to-exceed \$385,040, subject to approval of a written contract by the City Attorney's Office.



EXHIBIT A - Scope of Work and Associated Costs

March 6, 2023

Mr. J. Andy Dickey, P.E.
Assistant City Manager / Director of Public Works
City of Sedona – Public Works Department
102 Roadrunner Drive
Sedona, AZ 86336

Re: **Scope and Fee for Professional Services
Forest/Ranger/SR 89A Final Design**

Dear Mr. Dickey:

Kimley-Horn and Associates, Inc. (Kimley-Horn) is pleased to submit this proposal to the City of Sedona (City) to provide Professional Design Services for the Forest/Ranger/SR 89A Final Design

Our proposal is divided into the following sections:

Exhibit A – Scope of Work

Exhibit B – Fee and Expenses

Exhibit C – Subconsultant Backup Information.

We appreciate the opportunity to provide these services to you for this very important project for the City. Please contact me if you have any questions.

Very truly yours,

KIMLEY-HORN AND ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "AB", written over a white background.

Andrew Baird, P.E.
Project Manager

**EXHIBIT A
CITY OF SEDONA
FOREST/RANGER/SR89A FINAL DESIGN
ST-08**

SCOPE OF SERVICES

March 6, 2023

This project consists of a new roundabout at the intersection of Forest Road/Ranger Road and SR89A, a new transit lane near the intersection and modifications to the existing Brewer Road roundabout.

An intersection study was completed in December of 2022. Recommendations from this study will be moved into the Final Design Phase of the project.

- **Final Design Phase** will be project development based on the recommended alternatives from the intersection study. Design submittals for final construction documents will consist a 30%, 60%, 90% and 100% (Final/Sealed). Each submittal will consist of electronic PDFs of the submittal documents, including half-size (11x17) and full-size (22x34) PDFs of the plan set.
 1. The 30% (Concept) Submittal will consist of the following deliverables:
 - Concept Plan Set
 - Design Report
 2. The 60% (Preliminary) Submittal will consist of the following deliverables:
 - Draft Drainage Design Memorandum
 - Preliminary Plan Set
 - Preliminary Quantities & Opinion of Probable Costs
 3. The 90% (Semi-Final) Submittal will consist of the following deliverables:
 - Semi-Final Drainage Design Memorandum
 - Semi-Final Plan Set
 - Semi-Final Quantities & Opinion of Probable Costs
 - Semi-Final Technical Specifications
 4. The 100% (Final) Submittal will consist of final versions of the documents listed for the Semi-Final Submittal.

DATA COLLECTION**1.1 - Data Collection and Analysis**

- a. Kimley-Horn will conduct a project site walk with City Staff. As part of the site walk potential construction material and equipment staging locations shall be reviewed.
- b. Kimley-Horn will research and evaluate existing City and private utility information (e.g. as-builts, quarter section maps, GIS) regarding existing facilities such as roadway, drainage, traffic, and utilities. The City will provide available as-builts and other related existing data including right-of-way tract maps.
- c. Kimley-Horn will request an Arizona Blue Stake ticket to identify existing utilities within the project limits and request existing utility information.

1.2 - Coordinate Control, Topo Survey & Right-of-Way

- a. Kimley-Horn will prepare a survey request and coordinate with our subconsultant for control and topographic survey services.
- b. Kimley-Horn will review for control and topographic survey data as well as right-of-way information provided by the survey subconsultant.
- c. Kimley-Horn will prepare a geotechnical boring request and coordination with the geotechnical consultant.

FINAL DESIGN**2.1 – Roadway Design**

- a. Kimley-Horn will design the Forest/Ranger/SR 89A Roundabout, Transit Lane and the modifications to Brewer Road.
- b. Kimley-Horn will establish a roadway construction centerline based on existing survey monuments.
- c. Kimley-Horn will prepare roadway plans at a 20-scale. The following sheet list is anticipated for the final construction documents:
 - Cover Sheet (1 Sheet)
 - Legend & Notes (1 Sheet)
 - Typical Sections (2 Sheets)
 - Miscellaneous Details (2 Sheets)
 - Geometric Control (1 Sheet)
 - Removal/Demolition (4 Sheets)
 - Roadway Plan & Profile (20 Scale) (4 Sheets)
 - Brewer Road Plans (2 Sheets)
 - Shared Use Path / Sidewalk Plans/Details (1 Sheet)
 - Roundabout Details / Staking Plan (4 Sheets)
- d. Kimley-Horn will prepare a 3D proposed roadway surface in AutoCAD Civil 3D and develop cut and fill lines as well as earthwork quantities.

- e. Design Report documenting roadway improvements.
- f. Roadway plans will be submitted with each of the milestone submittals (30%, 60%, 90%, and 100%)

2.2 – Drainage Design

- a. Kimley-Horn will prepare a Drainage Design Report to document the roadway impacts on drainage conveyance. A Draft Drainage Design Memorandum will be submitted with each of the milestone submittals (60%, 90% and 100%)
- b. Drainage System modifications/reconstruction will be shown on the Roadway Plan/Profile Sheets.

2.3 – Signing/Pavement Marking Design

- a. Kimley-Horn will prepare signing and pavement marking plans for Uptown Sedona. It is assumed the signing and pavement marking design will be in accordance with MUTCD and MAG standards.
- b. Kimley-Horn will prepare signing and marking plans at a 40-scale. The following sheet list is anticipated for the final construction documents:
 - Signing and Marking General Notes (2 Sheets)
 - Signing and Marking Plan (2 Sheets)
- c. Signage/Pavement Marking Design will be submitted with each of the milestone submittals (60%, 90%, and 100%)

2.4 – Lighting Plans

- a. Kimley-Horn will provide Lighting and Photometrics for the intersection.
 - Lighting General Notes and Details (1 Sheets)
 - Lighting Plans (2 Sheets)
 - Photometrics (2 Sheets)
- b. Lighting plans will be submitted with each of the milestone submittals (60%, 90%, and 100%)

2.5 Structural Design

- a. Kimley-Horn will provide Structural Design for the Soldier Wash Crossing and Wall Plans.
 - Culvert Extension (2 Sheets)
 - Wall Plans (2 Sheets)

2.6 – Landscape and Landscape Irrigation Restoration

- a. Kimley-Horn will visit the site to inventory and locate existing conditions including:
 - Site furnishings
 - Irrigation equipment

- b. Kimley-Horn will gather information at all tie in points where this project meets existing conditions. We will meet with City staff including maintenance department to understand current standards, goals, and desired equipment.
- c. Kimley-Horn will prepare landscape and irrigation plans at a 20-scale. The following sheet list is anticipated for the final construction documents:
 - Planting Plans (2 Sheets) (1" = 20' scale)
 - Irrigation notes, schedules, and details sheets (2 Sheets)
 - Irrigation Plans (2 Sheets) (1" = 20' scale)
 - Planting and site furnishings notes and details sheets (2 Sheets)
- d. Landscape and Landscape Irrigation Restoration plans will be submitted with each of the milestone submittals (60%, 90%, and 100%)

2.7 – Erosion Control

- a. Kimley-Horn will provide Erosion Control Plans and Details for the Contractors use in the Notice of Intent.
 - 2 – SWPPP Sheets (1" = 20')
 - 2 – Detail Sheets
- b. Erosion Control plans will be submitted with each of the milestone submittals (60%, 90%, and 100%)

2.8 – Utility Coordination

- a. Kimley-Horn will be responsible for contacting and coordinating with utility companies in the area and informing them of the design plans for the project.
- b. Kimley-Horn will prepare utility clearance letters to send to the utility companies in the area. Signed clearance letters will be obtained and provided to the City if requested.
- c. Kimley-Horn will work with the utility companies to identify any potential utility conflicts and will communicate these conflicts with the City.
- d. Provide 60%, 90% and 100% plans to all local utility companies for review and concurrence.
- e. Kimley-Horn will attend and lead one Utility Coordination Meeting (included in Task 2.9).

2.9 – Project Estimate, Specifications and Bid Schedule

- a. A list of anticipated quantities will be prepared and submitted at each design stage (60%, 90% and 100%).
 - Quantities will be presented on the plan sheets and also in a separate spreadsheet using custom bid items based on City item descriptions.
 - An opinion of probable cost will be provided for these quantities.
 - A bid schedule will be provided with the 90%, 100% submittal.

- b. Technical Specifications will be prepared for the 60%, 90%, and 100% submittals. The specifications will be prepared utilizing City format and serve as a supplement to the MAG Specifications.

2.10 – Design Phase Project Management/Meetings

- a. Project management includes contract management, invoicing, project schedule development, internal meetings with staff, Quality Control/Quality Assurance, permitting application and administration and CADD maintenance.
- b. Kimley-Horn will attend the following meetings as a part of this project:
 - Progress Meetings (4 meetings)
 - Plan Review Meetings (2 meetings)
 - Stakeholder Meetings (2 total)
 - Public Meeting (1 total)
 - City Council Meeting (1 total)
- c. Design progress meetings (excludes stakeholder and public meeting) are assumed to be attended by the Project and any technical support via teleconference.
- d. Kimley-Horn will be responsible for preparing meeting agendas, exhibits, and notes.
- e. Field reviews are assumed to be conducted on the same days as meetings described above.
- f. Any meetings beyond those listed above will be considered additional services.
- g. Kimley-Horn will prepare a summary of comments received following each submittal. These comments will be addressed, and responses will be provided.

PHASE 3 – BID PHASE

3.1 – Bid Phase

Kimley-Horn will assist the City during the bid phase of the project. This includes attending the pre-bid conference, responding to contractor requests and review of the bid tabulations.

EXHIBIT B includes the detailed fee breakdown for all tasks.

SUBCONSULTANT TASKS

4.1 – Topo Survey & Right-of-Way

Survey Subconsultant will be utilized for control, topographic survey and right-of-way services.

4.2 Geotechnical Services (Speedie)

A Geotechnical subconsultant will provide geotechnical investigations services. See **EXHIBIT C** for proposal.

4.3 Public Outreach (Beta Pr)

Beta Pr will provide Public Outreach services. See **EXHIBIT C** for proposal.

ALLOWANCES**5.1- Utility Designating/Potholing (Allowance)**

An allowance of is included to address potential utility potholes and designating should it be determined a Level C SUE is not sufficient.

EXCLUSIONS

The following items/services are not included in this scope of work and fee proposal. If these items/services are determined to be required, a separate agreement by contract amendment or new contract shall be coordinated between the City of Sedona and Kimley-Horn.

- Construction Administration
- Wayfinding Signs
- CMAR Coordination
- Environmental Services

EXHIBIT B

DERIVATION OF COST PROPOSAL SUMMARY

(Figures Rounded To The Nearest \$1)

KIMLEY-HORN DESIGN BASE FEE

CLASSIFICATION	PERSON HOURS	BILLING RATE/HOUR	TOTAL
Senior Consultant	-	\$ 240.00	\$ -
Project Manager	178	\$ 230.00	\$ 40,940
Senior Engineer	256	\$ 220.00	\$ 56,320
Project Engineer/Dr. Designer	388	\$ 190.00	\$ 73,720
Sr. Analyst	678	\$ 160.00	\$ 108,480
Analyst/GIS	312	\$ 140.00	\$ 43,680
Administrative	8	\$ 100.00	\$ 800
	1,820 Hours		

Subtotal Kimley-Horn Design Base Fee **\$ 323,940**

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

Firm	Cost	Compensation Method
Survey	\$ 14,600	
Geotechnical	\$ 12,000	
Public Outreach (Beta Pr)	\$ 10,000	
	Subtotal Estimated Outside Services	\$ 36,600

ESTIMATED DIRECT EXPENSES

Miscellaneous Expenses	\$ 7,500
	Subtotal Estimated Expenses \$ 7,500

ALLOWANCES

SUE	\$ 17,000
	Subtotal Allowances \$ 17,000

TOTAL PROJECT COST

\$ 385,040

Consultant Firm Signature

3/6/23

Date

City of Sedona
Forest/Ranger/SR89A Final Design
Fee Proposal

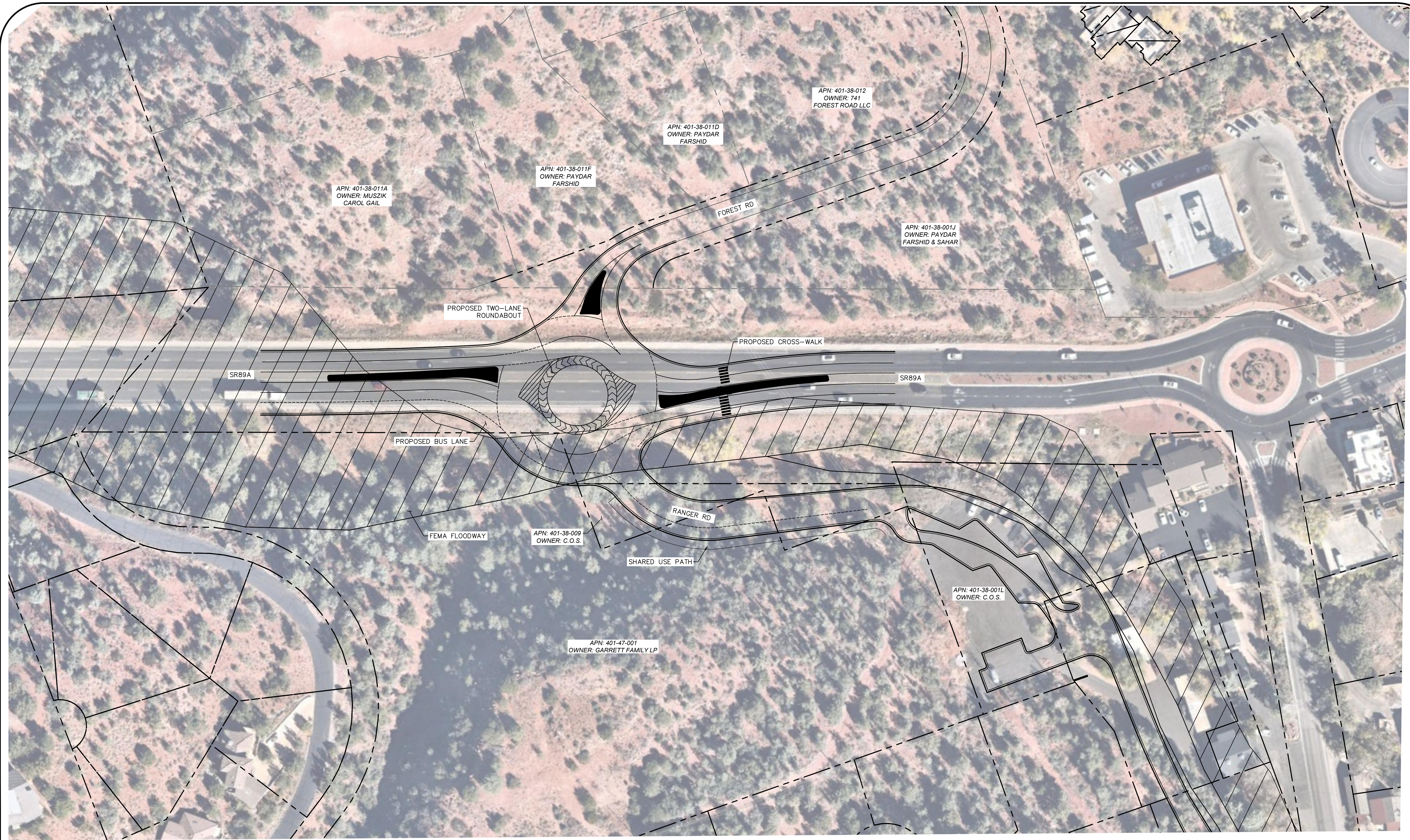
		Project	Senior	PE/	Sr. Analyst	Analyst/	Admin	Totals
		Manager	Engineer	Sr. Designer		GIS		
FINAL DESIGN	SUBTOTAL	\$ 230.00	\$ 220.00	\$ 190.00	\$ 160.00	\$ 140.00	\$ 100.00	
1. DATA COLLECTION								
1.1 Data Collection and Analysis	6,020.00	2	4	4	22	-	4	36
As-Built Research	1,160.00				6		2	8
Right of Way Mapping Research	840.00				4		2	6
Traffic Analysis	4,020.00	2	4	4	12			22
1.2 Coordinate Control, Survey & R/W	3,500.00	-	-	10	10	-	-	20
Coordinate with Survey	760.00			4				4
Review Topo/Control Base File	1,720.00			4	6			10
Review Right-of-Way Base File	1,020.00			2	4			6
TOTAL DATA COLLECTION	9,520.00	2	4	14	32	-	4	56
2. DESIGN PHASE								
2.1 Roadway Design	91,440.00	32	62	124	146	168	-	532
Cover Sheet	1,340.00			2	6			8
Legend & Notes Sheet	1,340.00			2	6			8
Typical Sections Sheets	4,140.00	2	4	8	8			22
Miscellaneous Details Sheets	4,780.00	2	4	8	12			26
Geometric Control Sheet	1,520.00		2	4	2			8
Removal/Demolition Sheets	9,660.00	2	8	8	16	24		58
Roadway Plan & Profile Sheets (SR89A)	20,520.00	12	12	24	24	48		120
Brewer Road Plans	10,880.00	4	8	12	16	24		64
Shared Use Path/Sidewalk Plans/Details	7,500.00	2	4	8	8	24		46
Roundabout Details/Staking Plan	18,680.00	4	12	24	24	48		112
3D Model & Earthwork	11,080.00	4	8	24	24			60
Design Report	8,160.00	8	8	24				
2.2 Drainage Design	37,800.00	4	28	32	112	48	-	224
Evaluation (Hydrology & Hydraulics)	2,800.00			8	8			16
Draft Onsite Drainage Design Memorandum	6,880.00		8		32			40
Final Onsite Drainage Design Memorandum	5,600.00		8		24			32
Conditional Letter of Map Revision (Soldier Wash)	22,520.00	4	12	24	48	48		136
2.3 Signing/Pavement Marking	21,420.00	8	12	26	54	24	-	124
Legend & Notes Sheet	1,340.00			2	6			8
Signing and Marking Sheets	20,080.00	8	12	24	48	24		116
2.4 Lighting Design	22,620.00	10	16	48	48	-	-	122
Lighting Plans	16,720.00	8	12	24	48			92
Photometrics	5,900.00	2	4	24				30

City of Sedona
Forest/Ranger/SR89A Final Design
Fee Proposal

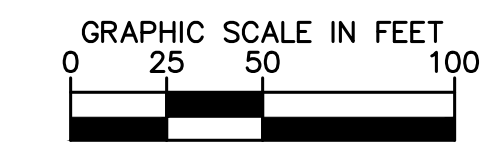
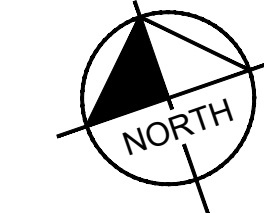
		Project	Senior	PE/	Sr. Analyst	Analyst/	Admin	Totals
		Manager	Engineer	Sr. Designer		GIS		
FINAL DESIGN	SUBTOTAL	\$ 230.00	\$ 220.00	\$ 190.00	\$ 160.00	\$ 140.00	\$ 100.00	
2.5 Structural Design	30,680.00	16	12	28	56	72	-	184
Soldier Wash Structure	13,080.00	8	8	12	24	24		76
Wall Plans	13,920.00	8		8	24	48		88
Structural Calculations	3,680.00		4	8	8			20
2.6 Landscape and Landscape Irrigation	20,240.00	-	26	36	48	-	-	110
Planting & Site Furnishing Plans	5,960.00		8	12	12			32
Landscape Irrigation Plans	5,200.00		8	8	12			28
Planting & Site Furnishing Notes & Details	4,320.00		4	8	12			24
Landscape Irrigation Notes & Details	4,760.00		6	8	12			26
2.7 Erosion Control	10,420.00	6	12	-	40	-	-	58
Erosion Control Sheets	6,520.00	4	8		24			36
Erosion Control Details	3,900.00	2	4		16			22
2.8 Utility Coordination	8,440.00	4	8	8	24	-	4	48
Utility Conflict Review, Coordination & Clearance Letters	8,440.00	4	8	8	24		4	48
2.8 Project Estimate, Specifications and Bid Schedule	18,360.00	8	16	28	48	-	-	100
Quantities/Estimate/Bid Schedule	7,760.00		4	16	24			44
Specifications	10,600.00	8	12	12	24			56
2.9 Design Phase Project Management/Meetings	40,600.00	56	44	36	70	-	-	206
Internal Coordination	3,360.00	8		8				16
QA/QC	12,600.00	12	24	24				60
CADD Maintenance	2,560.00				16			16
Progress Meetings (Assume 4)	1,560.00	4			4			8
Plan Review/Comment Resolution Meetings (Assume 2)	1,860.00	2		4	4			10
Stakeholders Meetings (Assume 2)	1,800.00	4	4					8
ADOT Coordination/Permitting	7,440.00	8	8		24			
Utility Coordination Meeting (Assume 1)	780.00	2			2			4
Public Meeting (Assume 1)	4,880.00	8	8		8			24
Council Meeting (Assume 1)	3,760.00	8			12			20
TOTAL FINAL DESIGN PHASE	302,020.00	144	236	366	646	312	4	1,708
3. BID PHASE								
3.1 Bid Phase	6,200.00	16	8	4	-	-	-	28
Respond to Questions	3,600.00	8	8					16
Attend the Pre-Bid Meeting	920.00	4						4
Review Bid Tabulations	1,680.00	4		4				8
TOTAL BID PHASE	6,200.00	16	8	4	-	-	-	28
TOTAL POST DESIGN PHASE	6,200.00	16	8	4	-	-	-	28
SUBTOTAL DIRECT LABOR	323,940.00	178	256	388	678	312	8	1,820

City of Sedona
Forest/Ranger/SR89A Final Design
Fee Proposal

		Project	Senior	PE/	Sr. Analyst	Analyst/	Admin	Totals
		Manager	Engineer	Sr. Designer		GIS		
FINAL DESIGN	SUBTOTAL	\$ 230.00	\$ 220.00	\$ 190.00	\$ 160.00	\$ 140.00	\$ 100.00	
4. SUBCONSULTANTS TASKS								
4.1 Topo Survey and Right-of-Way	14,600.00							
Control, Topo Survey Existing Right-of-Way, Utilities	9,600.00							
Legal Descriptions & Exhibits (5 total)	5,000.00							
4.2 Geotechnical Services (Speedie)	12,000.00							
Geotechnical Services	12,000.00							
4.3 Public Outreach (Beta PR)	10,000.00							
Outreach	10,000.00							
SUBTOTAL SUBCONSULTANT TASKS	36,600.00							
5. EXPENSES								
5.1 EXPENSES	7,500.00							
Miscellaneous Expenses	1,000.00							
CLOMR Fee	6,500.00							
SUBTOTAL EXPENSES	7,500.00							
6. ALLOWANCES								
6.1 Utility Potholing	17,000.00							
Utility Potholes	12,000.00							
Utility Designating	5,000.00							
SUBTOTAL ALLOWANCES	17,000.00							
CONTRACT TOTAL	385,040.00							



ROUNDBOUT WITH BUS LANE IMPROVEMENTS



8/23/2022



**CITY COUNCIL
AGENDA BILL**

**AB 2952
June 13, 2023
Regular Business**

Agenda Item: 8e
Proposed Action & Subject: Discussion/possible action regarding a request from the Chamber of Commerce and Tourism Bureau for a financial contribution of \$530,000 from the City of Sedona towards the operations of the Visitor Center for fiscal year 2024.

Department	City Manager
Time to Present	15 minutes
Total Time for Item	45 minutes
Other Council Meetings	January 17-19, 2023, March 29, 2023, April 12, 2023
Exhibits	A. Contract Termination Letter from SCC&TB B. Visitor Center Funding Presentation

City Attorney Approval	Reviewed 06/05/23 KWC	Expenditure Required	
		\$	Up to 530,000
City Manager's Recommendation	Given the low percentage of total visitors served, the Visitor Center is not delivering services commensurate with the operational costs. However, if the City Council wants to see the Visitor Center stay open, partner with the SCC&TB for the continued operations and fund up to 80% of the direct costs for Visitor Center operations for fiscal year 2024, or \$368,800.	Amount Budgeted	
		\$	See explanation in AB
		Account No. (Description)	N/A (part of lump sum for former SCC&TB contract continued in FY24 Proposed Budget)
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: On Wednesday April 5, 2023, the Chamber of Commerce and Tourism Bureau (SCC&TB) provided written notice of their intent to not renew the service contract between the City and the SCC&TB for tourism marketing and management and the provision of visitor services for fiscal year 2024. That notice indicated that the SCC&TB would continue to operate

the Visitor Center. The letter stated, "We will continue to welcome and educate visitors at our Visitor Center and manage VisitSedona.com and other SCC&TB assets as usual, in partnership with our members." The contract termination notice is included as Exhibit A.

On May 3 the SCC&TB requested the opportunity to revisit this discussion with respect to the funding of the Visitor Center for FY2024. They have requested the City enter into a contract for services for the continued operation of the Visitor Center for FY24 in the amount of \$530,000 which includes \$461,000 in direct costs and a 15% administrative overhead fee of \$69,150. The line-item budget request is included as part of the Exhibit B (presentation page 16).

Additionally, according to the SCC&TB, the Visitor Center earns approximately \$30,000 in annual revenue including profit on sale of passes and retail items in the amount of \$20,000, donations of approximately \$7,000 and poster advertising at an estimated \$4,000. They have advised that they intend to use these sources to fund Chamber of Commerce activities, not offset Visitor Center expenses.

According to the SCC&TB, the Visitor Center serves 150,000 visitors annually. Based on an estimated total visitation of 3.5 million annually, the Visitor Center serves approximately 4.3% of Sedona tourists. Assuming the total visitation is 4 million annually, 150,000 equates to 3.75% of Sedona tourists. They also report that they respond to an estimated 7,500 phone calls and emails annually, which, based on a total visitation of 3.5 million, is .2% of total visitors served. Based on 4 million visitors, 7,500 phone calls and emails is .18% of total visitors served. Conversely, the VisitSedona.com website is estimated to reach over 3 million persons annually, or at least have over 3 million "hits" to the site. It appears that source, and other Internet or on-site information outlets, are serving a significantly higher portion of Sedona visitors or potential visitors with information and other resources than the Visitor Center or its staff's correspondence via phone call and email.

Given the low percentage of total visitors served, the Visitor Center may not be delivering services commensurate with the cost of operations. The SCC&TB decision to terminate its relationship with the City and its more recent decision to close the doors of the Visitor Center by August 2023 in the absence of City funding may provide an opportunity to see if the continued provision of a traditional Visitor Center is needed moving forward. The extent to which the business community relies on the services of the Visitor Center is unknown but should be considered. It would not be the City's intent to send a message to the business community that it does not support them if a closure of the Visitor Center occurs. There are other ways the City could potentially support the business community in lieu of funding Visitor Center operations especially given that these services have historically been focused on the support and referrals to SCC&TB member businesses, not the entire business community without discrimination based on membership. New opportunities to serve all in-city businesses will be explored as the new City destination management program develops.

The staff recommendation for this item is to allow the closure of the Visitor Center. However, should the City Council want to see the Visitor Center continue its operations as is, the recommendation is that the City contribute up to 80% of the direct costs, as proposed, rather than the SCC&TB request which is that the City bear 100% of the actual costs plus a new administrative overhead fee. A cost share provides an opportunity for the SCC&TB and the City to take a partnership approach to the provision of this amenity with both entities contributing towards its continued operations. 80% of the direct costs would be \$368,800.

Budget:

The FY2024 Proposed Budget includes a contingency account for tourism initiatives that is a reallocation of the former SCC&TB contract amount (\$1.67 million). If Council chooses to approve this request, the funding would be allocated from this contingency account.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: approve Sedona Chamber of Commerce and Tourism Bureau's (SCC&TB) request to contract for the operations of the visitor center for FY24 in the amount of \$_____, subject to approval of a written contract by the City Attorney.



April 5, 2023

Karen Osburn
City Manager, City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

Dear Karen,

On Monday, April 3, 2023, the Board of Directors of the Sedona Chamber of Commerce & Tourism Bureau unanimously voted not to renew the Tourism Promotion & Visitor Services Agreement with the City of Sedona for FY24. The SCC&TB is committed to the FY23 program of work through June 30, 2023.

As you know, the Chamber has operated in Sedona as a nonprofit membership organization since 1960, 28 years before Sedona's incorporation. We have been a certified Destination Marketing and Management Organization (DMMO) for nine years. Today, visitors generate 77 percent of the city's sales and bed tax revenues.

With the end of our service contract with the city, we will aggressively pursue new avenues in professional tourism marketing and management, consulting our statewide industry partners, local business members, visitors and residents in attracting the kinds of visitors Sedona needs to sustainably support our local businesses and economy.

We will continue to welcome and educate visitors at our Visitor Center and manage VisitSedona.com and other SCC&TB assets as usual, in partnership with our members.

In 2013, the Sedona Lodging Council suggested increasing the bed tax an additional 1% to fund marketing and promotions to boost tourism in Sedona. The SCC&TB took this message to the city and the result was an increase of .5% to the bed tax, taking it to 3.5%. It was agreed to dedicate 55% of the 3.5% total to destination marketing managed by the SCC&TB. The Council has not used this formula in accordance with the original intent and has not indicated its commitment to future marketing. The SCC&TB and its lodging partners therefore expect the city to rescind the .5% increase, which has been an unfair burden on the lodging industry without the benefit promised in return.

As the region's only certified DMMO and within the terms of our contract, the SCC&TB had made many good faith efforts to advise Council on best practices and courses of action, as well as to attempt to comprehend and fulfill Council's direction. We are confident that moving forward outside the confines of a tourism management contract with the city is the best way to fulfill our mission of making Sedona the best place, to live, work, play and visit.

Sincerely,

Michelle Conway
President/CEO

Jennifer Perry
Board Chairperson



OFFICIAL UPTOWN SEDONA VISITOR CENTER

City Council Meeting | June 13, 2023



SEDONA
CHAMBER OF COMMERCE
& TOURISM BUREAU



TODAY'S OBJECTIVE

To offer the Sedona City Council
options to continue
operations of the
Official Uptown Sedona Visitor Center

VISITORS COME TO SEDONA FOR

Our Amazing Red Rock Environment

Mild Semi-Arid Climate

Some Of The Best Hiking In The World

World-Class Resorts

Art Galleries and Festivals

Physical and Spiritual Renewal



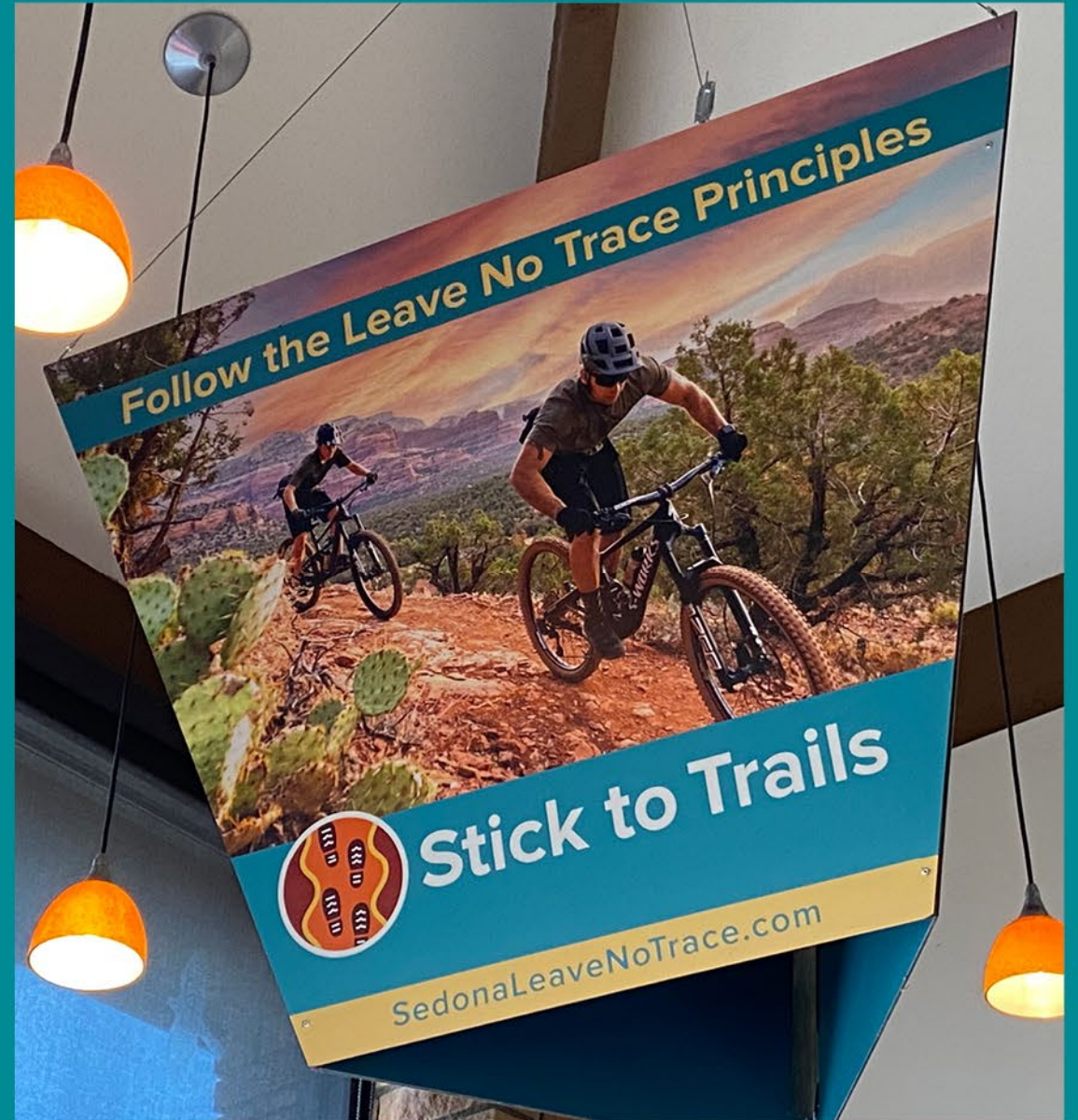
SERVING VISITORS SINCE THE 1960s



Uses best practices
to fulfill visitor needs
through extensive
education
and assistance



Highlights Sedona's sustainability values and sets the destination's expectations for guests to Respect Red Rock Country



94% of visitors who visited the Visitor Center indicate they would do so again on a future trip.



VISITOR CENTER STAFF AND VOLUNTEERS

Work to give the best customer service, exceeding expectations as a resource not just for visitors, but for residents as well





More than
5,938

Volunteer Hours Donated in FY23

Value = \$188,825

YTD through May 2023 | Based on the 2023 Value of Volunteer Time national report.

8 OUT OF 10 DMOs OPERATE A VISITOR CENTER



Tracie Thomson

Local Guide • 128 reviews • 59 photos

★★★★★ 5 months ago

So glad I stopped in here for some ideas on how to spend the day in Sedona. Barbara was super helpful. She was friendly and knowledgeable. She took me outside to show me some famous rock formations. We ended up having a fantastic, full day. Thank you Barbara!



Bobbi Craven

Local Guide • 57 reviews • 4 photos

★★★★★ 3 weeks ago

Everyone is always so nice and takes the time to answer everyone's questions. They are all so well versed in each scenario a patron brings to them!



Monica Van Horn

Local Guide • 60 reviews • 3 photos

★★★★★ 4 months ago

The staff is lovely! So helpful! The facility is great, well staffed, tons of information! They are doing a fantastic job there!

AS MANY AS 500 VISITORS ASSISTED PER DAY

When the
Visitor Center is open,
Sedona is open.



OVERVIEW OF SERVICES PROVIDED

- Open 363 days a year – closed only two holidays
- Manage and assist roughly 150,000 Walk-Ins per year
- Answer approximately 7,500 Phone and Email Inquiries per year
- Educate visitors on sustainability principles (Leave No Trace, Recreate Responsibly)
- Showcase 350 number of businesses through rack cards and brochures (not restricted to membership)
- Provide knowledge on all area trails, forest service, ways to experience Sedona, local businesses such as art galleries, restaurants and stores
- Inform of Sedona news, road closures, weather conditions and other timely information
- Educate visitors on the Sedona Shuttle and Verde Shuttle
- Manage and train all volunteers
- Regularly maintain high ratings for excellent and good customer service
- Management of retail inventory and Red Rock Passes
- Coordination of 200,000 number of ESG shipments to resorts, statewide, regional and local visitor centers in addition to airports and other travel-oriented service firms such as AAA offices
- Maintain industry-standard statistics and KPIs
- Act as liaison for visitor complaints and concerns
- Oversee, maintain and organize all collateral materials including storage and delivery systems
- Schedule and monitor all necessary services such as cleaning, computer maintenance, system upgrades, and grounds maintenance

PAST PROMOTION OF VISITOR CENTER

- ✓ SOCIAL MEDIA
- ✓ NEWSPAPER ARTICLES
- ✓ PRINT ADVERTISING
- ✓ VISITSEDONA.COM
- ✓ EXPERIENCE SEDONA GUIDE

FY24 KPIs

Official Uptown Visitor Center	FY23 YTD	% of Target	FY24 Annual Target
Number of Walk-Ins	127,500	85%	150,000
Visitor Phone and Email Inquiries	5,496	73%	7,500
Maintain 'Excellent' or 'Good' Visitor Satisfaction Rating	100%	100%	Excellent/Good

OPTIONS

1. City of Sedona provides funding for the SCC&TB to operate the Visitor Center for FY24 transitional year.
2. City of Sedona rents the Visitor Center space from the SCC&TB and operates the Visitor Center.*
3. The Visitor Center closes its doors August 2023.

* Fair market rental value of fully equipped visitor center facility TBD

SCC&TB Forest Road Visitor Center FY24 Bed Tax Funding

BUDGET OPTION 1

	FY23 Budget	FY24 Budget	
Bldg. & Grounds Public Restrooms	16,700	35,000	Cleanings 2x Daily/7 busy months, repair price increased
Utilities Public Restrooms	10,000	10,000	
Total Public Restroom	26,700	45,000	
Salaries	116,877	115,000	
Wages	123,000	115,000	
Health Insurance	16,555	16,000	
Payroll Taxes	17,679	18,000	
Simple IRA Contributions	2,673	5,000	
Workers Comp	650	500	
Staff Development	0	5,000	Staff appreciation (meals, recognition)
Staff Training	3,350	0	Eliminated GCOT & ESTO (Industry conferences)
Volunteer Recognition & Development	30,650	30,000	
Bldg. & Grounds VC	15,300	25,000	Cost increases, outside cameras & monitoring
Property Tax	2,835	3,000	
Utilities VC	4,500	5,000	
Furniture/Fixtures	1,500	1,000	
Copier Lease	4,800	5,000	
Commercial Liability Insurance	2,200	2,500	
Mortgage Interest Allocation	10,000	10,000	
Phone Data Internet Cell	25,000	12,000	Eliminated toll free calls & POTS lines
Storage & Handling	3,900	5,000	
Supplies	10,000	11,000	
Collateral, Counter Maps	8,200	24,000	FY24 is for 11x17 flat maps (no advertisements)
Postage, Delivery & Fulfillment (ESG)	105,000	0	Not required
Computer Technology	5,250	6,000	
Accounting & Audit	3,740	0	Not allocated
HR Services	1,925	2,000	
Bank Service Charges	700	0	Not allocated
Total Visitor Center	516,284	416,000	
Total Public Restrooms & Visitor Center	542,984	461,000	
15% Administrative Overhead Fee	0	69,150	
Total	542,984	530,150	

Thank You!



SedonaChamber.com | VisitSedona.com



**CITY COUNCIL
AGENDA BILL**

**AB 2955
June 13, 2023
Regular Business**

Agenda Item: 8f
Proposed Action & Subject: Discussion/possible direction regarding the process for the introduction of new city ordinances.

Department	City Council
Time to Present	5 minutes
Total Time for Item	20 minutes
Other Council Meetings	N/A
Exhibits	NA

City Attorney Approval	Reviewed 6/05/23 KWC	Expenditure Required	\$ N/A
City Manager's Recommendation	N/A	Amount Budgeted	\$ N/A
		Account No. (Description)	
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: At the April 25, 2023 City Council meeting Councilor Pete Furman, seconded by Councilor Kathy Kinsella, brought up this item for discussion on a future agenda.

The City Code currently states, "All ordinances shall have at least one reading." This allows new ordinances to be introduced and adopted at the same meeting. However, our common practice has been to have at least two public discussions of a new ordinance.

Councilors Furman and Kinsella are recommending that Council amend section 2.25.040 of the City Code to reflect our common practice. The changes would apply only to new ordinances, not to modifying existing ordinances. They have conferred with the City Manager and City Attorney and have drafted potential language modifications that would reflect this change. Other minor changes to requirements for readings of the ordinance language, as recommended by the City Attorney, have also been included. See Appendix A.

A majority vote by the council would direct the City Attorney to draft City Code changes and return to Council for action.

Appendix A

Existing 2.25.040 Reading of Proposed Ordinance.

A. All ordinances shall have at least one reading. This reading may be by title only if the council, in possession of printed copies of the ordinance, unanimously allows reading of the title only.

Potential 2.25.040 Reading of Proposed Ordinance and Adoption at a Subsequent Public Meeting.

A. All ordinances shall have at least one reading. Readings will be by title only if the ordinance language is included in the regularly distributed council packet, unless any councilor objects.

B. New ordinances shall have at least two public readings. However, Council may waive the second public meeting requirement upon motion and unanimous approval by the councilors present.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: for discussion/possible direction.



**CITY COUNCIL
AGENDA BILL**

**AB 2957
June 13, 2023
Regular Business**

Agenda Item: 8g
Proposed Action & Subject: Discussion/possible direction regarding input from City Council on Northern Arizona Healthcare’s plan to build a new medical facility in Flagstaff, AZ.

Department	City Council
Time to Present	10 minutes
Total Time for Item	30 minutes
Other Council Meetings	N/A
Exhibits	A. Northern AZ Healthcare OpEd

City Attorney Approval	Reviewed 6/05/23 KWC	Expenditure Required	\$ N/A
City Manager’s Recommendation	N/A	Amount Budgeted	\$ N/A
		Account No. (Description)	
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

Background: At the May 9, 2023 City Council meeting Vice Mayor Holli Ploog and Councilmember Kathy Kinsella brought up this item for discussion on a future agenda:

The proposed Northern Arizona Healthcare Health and Wellness Village near Fort Tuthill County Park in Flagstaff.

NAH proposes to build a new hospital, outpatient surgery services, rehabilitation, and health and wellness clinics in an integrated campus as well as provide related services such as housing, lodging, a nature retreat and trails, retail and dining. On May 16 the Flagstaff City Council voted 6-1 in favor of the site plan and necessary rezoning for the project. A second review is scheduled for June 6th, 2023 to review the project’s development agreement between the City of Flagstaff and NAH.

The project is not within the jurisdictional boundaries of the City of Sedona. However, the project catchment area includes Sedona, and the Verde Valley. It is reasonable to anticipate that Sedona residents and visitors will be using hospital and related services in Flagstaff.

Vice Mayor Ploog and Councilmember Kinsella recommend that a discussion take place among the Sedona City Council to determine if the City should opine in support or opposition, or remain neutral on the proposed project.

It has been represented by the Yavapai County Board of Supervisors, District # 3 representative, Donna Michaels that there is significant opposition in Sedona and the Verde Valley to the proposal, but in fact ,the City of Sedona currently has no position. (See Exhibit A)

This discussion would clarify the City of Sedona’s stance on the matter and if that position should be communicated.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): None

MOTION

I move to: for discussion/possible direction.

As your Yavapai County District 3 Board Supervisor, it is my privilege to serve and defend the interests of the citizens of the Verde Valley and Yavapai County. One of my strategic goals is to ensure that the Verde Valley and all Yavapai County remain vibrant, prosperous, and healthy for generations to come.

Many of us have experienced personal loss and hardship due to inadequate access to quality, affordable healthcare in our region. I stand together with leaders in Yavapai and Coconino Counties seeking solutions to provide state of the art healthcare services and implementing healthcare policies that address the lack of services, poor staff retention, and failure of the Northern Arizona Healthcare (NAH) breast cancer center.

We are now all too familiar with the alleged under reporting and inaccurate diagnosing of breast cancer patients. **Please watch the NBC TV News expose' on the NAH mammography failures.**
<https://www.youtube.com/watch?v=1cVvSdZMUIE>.

Since 2019, NAH has advertised that all their mammograms and other breast imaging related studies were being performed by dedicated, NAH-contracted/employed fellowship-trained breast subspecialists. However, all four dedicated breast subspecialists who joined in 2019 are no longer associated with NAH and various part-time temporary doctors are filling the void.

In addition to the losses at the breast cancer programs (surgeon Beth Dupree, oncologist Giraldo Kato, and the four breast radiologists), the last remaining NAH breast surgeon has just given notice of her resignation, and a multitude of other critical physicians have left Northern Arizona Healthcare (NAH) because of discontent with NAH employment practices.

NAH states it's primary mission is "Improving Health, Healing People". After personally meeting with NAH leadership, former and current physicians, lawmakers and community leaders, it's clear to me that NAH is not committed to living up to their stated mission. Northern Arizona Healthcare is planning to invest over \$800,000,000 in a new Coconino County Flagstaff facility. One has to ask what benefit this will provide to residents in Yavapai County's Verde Valley?

One essential element for the success of NAH, or any other healthcare entity that employs physicians, is an effective Board of Directors to oversee the administrators of the entity. The current NAH Board has been woefully ineffective in ensuring adequate healthcare in our community. My first suggestion is that most of the Board must go. Now is the time to formulate a succession plan that will allow for promised improvements and/or expansions to continue while the Board implements a plan to ensure that any short-term successes are maintained. At the same time, new Board leadership must commit to being fully engaged with this region and the needs of its constituents.

Second, it is time to establish partnerships with providers who share our commitment to invest in new and existing healthcare services to ensure excellent medical care everywhere in Yavapai County. I don't feel that we must rely on NAH to provide most of the healthcare services that our community requires.

I encourage you to get involved with me in the initiative to strengthen the healthcare system in our area...our lives literally depend on it. **Join me in the quest for establishing premier, quality healthcare.**

Additionally, I encourage your ideas, suggestions, and support - all of which can be directed to my office via email to veronica.stepanek@yavapaiaz.gov or call 928-649-6227.

Following are just a few of the community leaders who endorse this Op Ed:

Rob & Christine Adams, Ron Barber, AZ State House Rep. Selina Bliss, Phil & Camille Cox, Dr. James & Mrs. Dwyer, Dr. & Mrs. Furrey, Mary Beth & Andy Groseta Herald &, Norela Harrington, Heather Hermen, Douglas Mapel, M.D., MHP, Joe Nackard, Rhoda Pitcher, Neil Singer, M.D., Tom Taylor, and Dr.'s Jane & Marshal Whitmire.