

**TOWN COUNCIL OF DEWEY-HUMBOLDT
STUDY SESSION & SPECIAL MEETING NOTICE**

Tuesday, May 7, 2019, 6:30 P.M.

**STUDY SESSION & SPECIAL MEETING
2735 S. HWY 69, SUITE 10**

**COUNCIL CHAMBERS, TOWN HALL
DEWEY-HUMBOLDT, ARIZONA**

AGENDA

The issues that come before the Town Council are often challenging and potentially divisive. In order to make sure we benefit from the diverse views to be presented, the Council believes that the meeting be a safe place for people to speak. With this in mind, the Council asks that everyone refrain from clapping, heckling and any other expressions of approval or disapproval. Council may vote to go into Executive Session for legal advice regarding any matter on the open agenda pursuant to A.R.S. 38-431.03 (A) (3), which will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining items on the agenda. Agenda items may be taken out of order. Please turn off all cell phones. The Council meeting may be broadcast via live streaming video on the internet in both audio and visual formats. One or more members of the Council may attend either in person or by telephone, video or internet conferencing. **NOTICE TO PARENTS:** Parents and legal guardians have the right to consent before the Town of Dewey-Humboldt makes a video or voice recording of a minor child. A.R.S. § 1-602.A.9. Dewey-Humboldt Council Meetings are recorded and may be viewed on the Dewey-Humboldt website. If you permit your child to participate in the Council Meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate or by submitting your request to the Town Clerk that your child not be recorded.

1. Call To Order.

2. Roll Call. Town Council Members Karen Brooks; Lynn Collins, John Hughes, Amy Lance, Mark McBrady, Vice Mayor Victoria Wendt and Mayor Terry Nolan.

3. Study Session. No legal action to be taken.

A. Presentation by Jeanne Trupiano on behalf of the Garry Rogers' Family on the Coldwater Farms Conservancy Update

B. Discussion and Consideration of Proposed APS Franchise Agreement

C. How was the authorization made for extending Volunteer of the Year applications
(CAARF – CM Brooks)

D. What is the status of the lease agreement on Town Hall and the Sheriff's Office
(CAARF – CM Brooks)

E. What is the status of hiring a new Town Clerk (CAARF – CM Brooks)

F. Is it true GPREP is no more and being reorganized under CAP or different name
(CAARF – CM Brooks)

G. Discussion on having a third meeting every month

4. Special Meeting. Legal action may be taken.

A. Public Works – Chipseal Contract Award (Staff CC)

5. Executive Session

Vote to recess to Executive Session

A. An Executive Session pursuant to A.R.S. § 38-431.03 (A) (4) for discussion or consultation with the Town Attorney in order to consider its position and instruct the Town Attorney regarding the Town's position regarding an Employment Agreement with Alan Lanning for Town Manager that is the subject of negotiations.

B. An Executive Session pursuant to A.R.S. § 38-431.03 (A) (1) for discussion and consideration of employment, assignment, appointment, and salary of Alan Lanning as Town Manager.

Close Executive Session/Reconvene Study Session

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6. Discussion and possible action regarding the Town's position regarding an Employment Agreement with Alan Lanning for Town Manager that is the subject of negotiations.
7. Discussion and possible action regarding employment, assignment, appointment, and salary of Alan Lanning as Town Manager.
8. Adjourn.

For Your Information:

Next Town Council Meeting: Tuesday, May 21, 2019 at 6:30 p.m.

Next Town Council Work Session: Tuesday, June 4, 2019 at 6:30 p.m.

Next Planning & Zoning Meeting: Thursday, May 9, 2019 at 6:00 p.m.

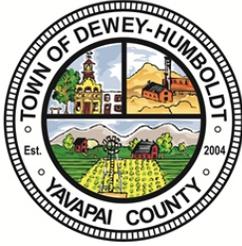
Persons with a disability may request reasonable accommodations by contacting the Town Hall at 632-7362 at least 24 hours in advance of the meeting.

Certification of Posting

The undersigned hereby certifies that a copy of the attached notice was duly posted at the following locations: Dewey-Humboldt Town Hall, 2735 South Highway 69, Humboldt, Arizona, Chevron Station, 2735 South Highway 69, Humboldt, Arizona, Blue Ridge Market, Highway 69 and Kachina Drive, Dewey, Arizona, on the _____ of _____, 2019, at _____ a.m./p.m. in accordance with the statement filed by the Town of Dewey-Humboldt with the Town Clerk, Town of Dewey-Humboldt.

By: _____, Town Clerk's Office.

If you would like to receive Town Council agendas via email, please sign up at AgendaList@dhaz.gov and type Subscribe in the subject line, or call 928-632-7362 and speak with Beth Evans, Interim Town Clerk.



TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-7362 ▪ Fax 928-632-7365
www.dhaz.gov

TOWN COUNCIL REGULAR STUDY SESSION

May 7, 2019 – 6:30 p.m. Town Council Meeting Chambers
Agenda Item - #3.B. Discussion of Proposed APS Franchise Agreement

To: Mayor and Town Council Members
From: Ed Hanks, Interim Town Manager
Date Submitted: April 22, 2019

Summary:

At its meeting of March 5, 2019, the Town Council discussed the APS Franchise issue. Representatives of APS were present and distributed the APS standard form franchise to the Council. Kendra Cea of APS described the proposed franchise to the Council. The Council asked that the APS Franchise be placed on a future study session agenda.

Some background is needed to understand some of the terms of the APS Franchise. In 2014, the then-Council discussed a proposed franchise on at least two occasions. The major issues at the time were: (i) protection of existing trees in the right-of-way, and (ii) the franchise fee, which that Council wanted to be zero, although the usual franchise fee is 2% of gross revenues. Franchise fees are pass-throughs to customers. In 2014, the last draft franchise discussed addressed the above issues. For reasons not recalled, the franchise agreement was not finalized or approved. The form of franchise distributed to the Council on March 5 by APS did not address these issues.

The above background is provided because most of the current Councilmembers were not on the Council in 2014. Based on the discussions at the March 5 Council meeting, APS inserted some approval provisions for removal of the trees (Section 3, Paragraph G) and the franchise fee of zero (Section 6).

Following consideration by the Council at the Study Session, the Council can give direction and the APS Franchise Agreement will be finalized for approval and placement on the ballot for approval by the voters.

FRANCHISE AGREEMENT
BETWEEN
ARIZONA PUBLIC SERVICE COMPANY
AND
DEWEY-HUMBOLDT, ARIZONA

Section 1. - Grant of Franchise:

There is hereby granted to Arizona Public Service Company, a corporation organized and existing under and by virtue of the laws of the State of Arizona (herein called "Grantee"), its successors and assigns, a franchise (herein called the "Franchise") to construct, maintain and operate its electrical system, as defined herein, upon, over, along, across and under the present and future public rights-of-way. These rights-of-way include but are not limited to streets, alleys, ways and highways in the Town of Dewey-Humboldt, Arizona (herein called "Town"). Grantee's system includes electric power lines, together with all necessary or desirable appurtenances, including, but not limited to, poles, towers, wires, cables, conduits, transmission lines, transformers, switches and communication lines for its own use. This Franchise is for Grantee's use of Town's public rights-of-way to supply and deliver electric energy to Town, its successors, the inhabitants thereof, and all individuals and entities either within or beyond the limits thereof, for all purposes.

Any street lighting service furnished by Grantee to Town or to any street lighting improvement district within Town shall be the subject of a separate agreement and shall not be governed by the provisions of this Franchise.

This Franchise includes the right to use public rights-of-way for the location of communication lines and appurtenances owned and operated by Grantee incidental to supplying electric energy under this Franchise. This Franchise does not include the right to use public rights-of-way for one-way transmissions directly to customers, users or subscribers of video programming, if any, which is required for the selection of or response to video programming. For purposes of the foregoing, the term “video programming” means programming provided by or generally considered comparable to programming provided by a television broadcast station. Grantee agrees that if Grantee uses or leases to others, the wires, towers, cables or lines for any purpose other than supplying electric services, before such use or lease, Grantee or Grantee’s lessee shall apply for and obtain a separate license from Town.

Town shall not be liable to Grantee should Grantee construct facilities pursuant to this Franchise in an area over which Town has erroneously exercised jurisdiction.

Section 2. – Grantee’s Compliance with Town Code; Plans Submitted for Approval;
Town Construction near Grantee’s Facilities:

Town expressly reserves unto itself, subject to the limitations of the Constitution and laws of Arizona, the right to ensure the safety and welfare of the public, including without limitation to, pass and enforce ordinances to protect the public from danger or inconvenience in the operation of any work performed in the public rights-of-way, including without limitation enforcement of this Franchise.

All construction under this Franchise shall be performed in accordance with applicable codes and ordinances of Town with respect to such public rights-of-way. Such

construction shall be completed within a reasonable time. Before Grantee makes any installations in the public rights-of-way, Grantee shall upon request or direction from Town obtain a construction permit and submit for approval a map showing the location of such proposed installations to the designated Town official. Town and Grantee agree and understand that there may be instances when Grantee is required to make repairs that are of an emergency nature. Grantee shall notify Town prior to such repairs, to the extent practicable, and shall obtain the necessary permits in a reasonable time after notification, showing the work performed in the public rights-of-way.

If Town authorizes either directly or through a contractor any construction project adjacent to or near Grantee's facilities operated pursuant to this Franchise, Town shall include in all such construction specifications, bids, and contracts, a requirement that the contractor or his designee must comply with the overhead power line safety laws (A.R.S. § 40-360.41 *et. seq.* as amended).

Section 3. – Construction and Relocation of Grantee's Facilities; Payment:

Annually, the Town and Grantee shall provide one another with a general schedule of its known future construction projects in order that construction projects may be coordinated to the extent practicable. Neither party shall finalize the design of any facility without providing the other party notice as set forth in Section 15 below, and a reasonable opportunity to comment. If either party identifies a potential conflict between their existing facilities and the other party's proposed facilities, said party shall immediately notify the other party of such conflict and the parties shall use their best efforts to resolve such conflict.

All facilities installed or constructed pursuant to this Franchise shall be so located or relocated and so erected as to minimize the interference with traffic, or other authorized uses over, under or through the public rights-of-way. Furthermore, Grantee shall not install, construct, maintain or use its facilities in a manner that damages or interferes with any existing facilities of another utility located in the public rights-of-way and agrees to relocate its facilities, if necessary, to accommodate another facility relocation that has a prior rights interest in the public rights-of-way.

Activities related to the construction of Grantee's facilities within the rights-of-way such as traffic control, backfilling, compaction and paving, and the location or relocation of lines and related facilities shall be subject to regulation by Town. Grantee shall keep accurate records of the location of all facilities in the public rights-of-way and furnish them to Town upon request. Upon completion of new or relocation construction of underground facilities in the public rights-of-way, Grantee shall, upon request or direction from Town, provide Town's Engineer with corrected drawings showing the location of the underground facilities in those cases where the actual location differs significantly from the proposed location. Grantee shall provide to Town, upon Town's request, the actual location of such new or relocated facilities in the public rights-of-way in an electronic format. Such format shall conform to utility industry best-practice standards. Grantee shall be required to obtain and pay all required fees and charges for construction permits and inspections of all non-electrical transmission or distribution facilities constructed within Town, including but not limited to, office buildings, storage buildings, or repair shops. Permits for electrical transmission or distribution facilities will be issued at no cost under this Franchise.

- A. If Town requires Grantee to relocate Grantee's facilities which are located in private easements obtained by Grantee prior to Town's acquisition of said property from which the facilities must be relocated, the entire cost of relocating Grantee's facilities (including the cost of purchasing a new private easement if necessary) shall be borne by Town. Town shall also bear the entire cost of all subsequent relocations of the relocated facilities required by Town, until such time as Town condemns or purchases Grantee's private easement.
- B. Except as covered in Paragraph A above, Grantee shall bear the entire cost of relocating its facilities located on public rights-of-way, the relocation of which is necessary for Town's or a contractor of Town carrying out of Town's governmental functions. Notwithstanding the foregoing, if Grantee is requested to perform work of a temporary nature on a governmental project to relieve construction problems which could be relieved by other means, the cost of said temporary work will be borne by Town or Town's contractor working on the governmental project. Governmental functions are those duties imposed on Town, where the duties involve a general public benefit, not in the nature of a corporate or business undertaking for the corporate benefit and interest of Town. Governmental functions include, but are not limited to, the following:
1. Any and all improvements to Town's public rights-of-way;
 2. Establishing and maintaining domestic water systems, sanitary sewers, storm drains, and related facilities;

3. Establishing and maintaining municipal parks, parking spaces, parkways, pedestrian malls, or grass, shrubs, trees and other vegetation for the purpose of landscaping any street or public property;
 4. Providing fire protection and other public safety functions;
 5. Collection and disposal of garbage and recyclables; and
 6. The relocation of Grantee's facilities necessary to carry out the exercise of the Town's police power for urban renewal.
- C. Town will bear the entire cost of relocating any of Grantee's facilities, the relocation of which is necessitated by the construction of improvements by or on behalf of Town in furtherance of a proprietary function. All functions of Town which are not governmental are proprietary.
- D. If Town participates in the cost of relocating Grantee's facilities for any reason, the cost of relocation to Town shall not include any upgrade or improvement of Grantee's facilities as they existed prior to relocation.
- E. Town will not exercise its right to require Grantee's facilities to be relocated in an unreasonable or arbitrary manner, or to avoid its obligation under the Franchise. Town agrees to notify Grantee during the planning and design of Town's projects in rights-of-way that may require relocation of Grantee's facilities and to coordinate its construction plans and schedules with Grantee to determine the most cost-effective design to mitigate Grantee's cost to relocate its facilities.

- F. Town agrees it will not require Grantee to relocate its facilities located within the public rights-of-way without providing Grantee adequate space within the rights-of-way to relocate the facilities that must be moved.
- G. Upon request, Grantee will provide Town an approved list of tree species for planting in the public rights-of-way where there are existing overhead power lines. Town will consider the list in establishing landscaping in the public rights-of-way. Town will not plant any tree that can normally grow to a height of more than 25 feet under or adjacent to Grantee's overhead power lines in the public rights-of-way. Grantee shall have the authority to prune or remove any trees or shrubs located within or hanging over the limits of the public rights-of-way of Town that in the judgment of Grantee may interfere with the construction, or endanger the operation, of the lines and/or facilities of Grantee. Grantee may remove trees that interfere with construction or endanger operation if approved by Town or the private owner of the tree or shrub in question. Town's approval will not be unreasonably withheld. All said vegetation management work is to be done at Grantee's expense and pursuant to A.N.S.I. Standard A300.

Section 4. – Indemnification:

Town, its departments, officers, employees, agents, successors and assigns, shall in no way be liable or responsible for any accident or damage that may occur in the construction, operation or maintenance by Grantee of its appurtenances hereunder, except to the extent such accident or damage may be proximately caused by the negligent or

willful and wanton acts or omissions of Town, its departments, officers, employees, agents, successors and assigns. The acceptance of this Franchise shall be deemed an agreement on the part of Grantee that Grantee shall, to the fullest extent permitted by law, defend, indemnify, and hold Town harmless from and against any and all claims, costs, suits, damages, judgments, expenses and losses including, but not limited to attorney fees and court costs relating to, arising out of, or alleged to have resulted from the exercise of this Franchise by Grantee; provided, however, that such claims, expenses and losses are not the result of the willful misconduct or negligent acts or omissions of Town-

Grantee, so long as it maintains, operates or owns facilities, within rights-of-way of Town, at its own cost and expense, shall keep, or cause to be kept, in force insurance against claims and liability for personal injury, death and property damage arising from the construction, operation or maintenance by Grantee of its facilities in a reasonable amount sufficient to insure Grantee's obligations under this Section, with Town named as an additional insured. Grantee shall provide Town with 30 days written notice of material change, cancellation or nonrenewal by the insurer. The policy shall be primary and noncontributing with any policy of Town.

Section 5. – Restoration of Rights-of-Way:

Whenever Grantee shall cause any opening or alteration whatsoever to be made for any purpose in any public right-of-way, the work shall be completed with due diligence within a reasonably prompt time. Grantee will restore the disturbed property to a condition as good as it was prior to such opening or alteration. Town agrees that this requirement shall be deemed met if the disturbed property is restored with comparable

materials, so that the restoration meets or exceeds industry and Town standards as adopted by the Town Council.

Section 6. – Franchise Fee:

Grantee shall pay to Town in consideration of the grant of this Franchise a sum equal to zero percent (0%) of all revenues of Grantee, including Regulatory Assessments, but excluding transaction privilege taxes and similar governmental impositions, from the retail sales and/or delivery by it of electric energy and other charges for services attendant to the retail sale and/or delivery of electric energy delivered through Grantee's electric distribution system within the present and any future corporate limits of Town, as shown by Grantee's billing records. Grantee shall not, however, pay said franchise fee on revenues charged to Grantee's retail customers by third party electric service providers. Except as otherwise provided in this Section 6, said payments shall be in lieu of any and all fees, charges or exaction of any kind otherwise assessed by Town in any way associated with Grantee's use of the rights-of-way, including but not limited to, the construction of Grantee's facilities hereunder or for inspections thereof during the term of this Franchise. If the franchise fee is zero percent (0%), Grantee shall pay permit fees for work in the rights-of-way pursuant to the fee schedule adopted by the Town Council for work in the public rights-of-way.

At any time during the term of this this franchise, the Town Council may adopt a resolution changing the franchise fee to a sum between zero percent (0%) and two percent (2%.) Upon adoption of the aforementioned resolution, Town must submit the notice of resolution in writing to the Grantee at:

Arizona Public Service Company
Office of the Corporate Secretary
400 North 5th Street, M.S. 8602
Phoenix, Arizona 85004

Grantee will have 30 days, after receiving said written notice from Town, to implement the change to the franchise fee percentage. Grantee will not be required to retroactively collect, pay, or refund franchise fees due to improper notice, or any delay in providing notice to Grantee by Town.

For the purpose of verifying amounts payable hereunder, the books and records of Grantee shall be subject to inspection by duly authorized officers or representatives of Town at reasonable times.

Beginning MONTH DAY, 2019, payment as described in the preceding paragraphs shall be payable in quarterly amounts within 30 days after the end of each calendar quarter.

Notwithstanding the provisions of this Franchise, if during the term of this Franchise Grantee enters into any electric franchise with any other municipality in Arizona during the term of this Franchise that provides for a higher percentage of Grantee's revenues than two percent (2%) or includes more categories of revenues than set forth in this Franchise, Grantee shall notify Town Council of such higher percentage or expanded revenue base. Town Council, at its sole discretion, shall have the option to, as applicable: (i) increase Grantee's franchise fee to the higher percentage rate; or (ii) include other revenue categories set forth in the franchise agreement Grantee has with the other entity of this State. Following Town Council's action, Grantee agrees to henceforth pay to Town a new franchise fee at the higher franchise percentage or to include the additional revenue categories.

Section 7. – Additional Fees and Taxes:

Notwithstanding any provision contained herein to the contrary, Grantee shall pay, in addition to the payment provided in Section 6, the following charges, taxes and fees as established in a code or ordinance properly adopted by Town:

- A. General ad valorem property taxes and special district assessments;
- B. Transaction privilege and use tax as authorized by law and collected by Grantee for its retail sales to its electric customers within the present and any future corporate limits of Town;
- C. Other charges, taxes or fees generally levied upon businesses by Town, provided said charge, tax or fee is a flat fee per year and that the annual amount of such fee does not exceed the amount of similar fees paid by any other businesses operated within Town.

Section 8. – Term:

This Franchise shall continue and exist for a period of twenty-five (25) years from MONTH DAY, 2019; provided, however, that either party may terminate this Franchise on its tenth anniversary by giving written notice of its intention to do so not less than one (1) year before the date of termination. If such notice is given for the purpose of negotiating a new franchise and such negotiation is successful, the party giving the notice of termination shall be responsible for the costs of the resulting franchise election.

Section 9. – Franchise; Non-Exclusive:

This Franchise is not exclusive, and nothing contained herein shall be construed to prevent Town from granting other like or similar grants or privileges to any other person, firm or corporation.

Section 10. – Conflicting Ordinances:

Notwithstanding any other provisions hereof, all ordinances and parts of ordinances in conflict with the provisions hereof, to the extent applicable to a franchised electric public service corporation, are hereby superseded.

Section 11. – Independent Provisions:

If any section, paragraph, clause, phrase or provision of this Franchise, shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this Franchise as a whole or any part of the provisions hereof other than the part so adjudged to be invalid or unconstitutional.

Section 12. – Town Use of Facilities:

In consideration of this Franchise and the rights granted hereby, Town shall, if the following six criteria are met, have the right to place, maintain, and operate on Grantee's poles located on public rights-of-way within Town's corporate limits, any and all wires and appurtenances (other than steps or climbing devices) for Town's fire alarm, police telephone or other municipal communications services utilized for governmental functions:

- A. Town must notify Grantee in writing of Town's intended use of Grantee's poles;
- B. Town shall, to the fullest extent permitted by law, defend, indemnify and hold Grantee harmless from any and all claims, costs, damages, expenses and losses, including but not limited to attorney fees and court costs relating to, arising out of, or alleged to have resulted from Town's use of Grantee's facilities pursuant to this Franchise; provided however, that such claims, expenses and losses are not the result of the willful misconduct or negligent acts or omissions of Grantee.
- C. Town's facilities and the installation and maintenance thereof must comply with the applicable requirements of the Occupational Safety and Health Act, the National Electrical Safety Code, and all other applicable rules and regulations as amended. If Town does not comply with all applicable laws, ordinances and regulations, or if Town's facilities create an immediate safety hazard, Grantee retains the right to remove or correct Town's facilities at Town's expense;
- D. Town's facilities and the installation and maintenance thereof must not cause Grantee's facilities and the installation and maintenance thereof to be out of compliance with all applicable requirements of the Occupational Safety and Health Act and the National Electrical Safety Code and all other applicable rules and regulations as amended. If Town does not comply with all applicable laws, ordinances and regulations, or if Town's

facilities create an immediate safety hazard, Grantee retains the right to remove or correct Town's facilities at Town's expense;

- E. Town's use of its facilities shall not interfere with Grantee's use of Grantee's facilities, and;
- F. Town shall be responsible for any incremental costs incurred by Grantee as a result of Town's use of Grantee's facilities.

Section 13. – No Third Party Beneficiaries:

There are no third party beneficiaries to this Franchise agreement between Town and Grantee.

Section 14. – Voter Approval Required:

This Franchise is subject to the approval of the electors of Town. Grantee shall pay all of the costs incurred in conducting the franchise election, except that, if one or more additional propositions are presented to the electors at such election, Grantee shall pay only that portion of Town's election expense determined by dividing all of Town's expenses by the number of issues presented on the ballot.

Section 15. – Notices:

Any notice required or permitted to be given hereunder shall be in writing, unless otherwise expressly permitted or required, and shall be deemed effective either (i) upon hand delivery to the person then holding the office shown on the attention line of the address below, or, if such office is vacant or no longer exists, to

a person holding a comparable office, or (ii) on the third business day following its deposit with the United States Postal Service, first class and certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

- A. To Town: Town of Dewey-Humboldt
Attn: Town Clerk
PO Box 469
Humboldt, Arizona 86329

- B. To Arizona Public Service: Arizona Public Service Company
Office of the Corporate Secretary
400 North 5th Street, Mail Station 8602
Phoenix, Arizona 85004

Section 16. – Adoption:

We, the undersigned, have adopted this document on the dates written below in accordance with the results of the Town of Dewey-Humboldt election on MONTH DAY, 2019.

TOWN OF DEWEY-HUMBOLDT

ARIZONA PUBLIC SERVICE COMPANY,
An Arizona Corporation

By _____
Terry Nolan, Mayor

By _____
Jacob Tetlow, APS Vice President
Transmission & Distribution Operations

On behalf of the Town of Dewey-Humboldt
Date: _____

On behalf of Arizona Public Service Co.
Date: _____

ATTEST:

Julie Gibson, Town Clerk

APPROVED AS TO FORM:

Gust Rosenfeld, PLC
By Susan D. Goodwin
Town Attorney

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P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-7362 • Fax 928-632-7365

RECEIVED

APR 29 2019

Dewey-Humboldt

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: May 7, 2019

Date of Request: April 29, 2019

Requesting: Action Discussion or Report Only

Type of Action: Routine/Consent Agenda Regular

Agenda Item Text (a brief description for placement on the agenda; please be exact as this will be the wording used for the agenda):

HOW WAS THE AUTHORIZATION MADE FOR EXTENDING VOLUNTEER OF THE YEAR APPLICATIONS.

Purpose and Background Information (Detail of requested action). THIS

WAS NEVER BROUGHT BEFORE TOWN COUNCIL THIS IS A TOWN COUNCIL AWARD, HOW DID IT GET EXTENDED

Staff Recommendation(s): _____

Budgeted Amount: ORAL

List All Attachments: NONE

Type of Presentation: ORAL

Special Equipment needed: Laptop Remote Microphone
 Overhead Projector Other: _____

Contact Person: Karen Brooks

Note: Per Town Code §30.105(D): Any new item will be placed under "New Business" for the council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled for a future date, etc.

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APR 29 2019

Dewey-Humboldt

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: May 7, 2019

Date of Request: April 29, 2019

Requesting: Action Discussion or Report Only

Type of Action: Routine/Consent Agenda Regular

Agenda Item Text (a brief description for placement on the agenda; please be exact as this will be the wording used for the agenda):

WHAT IS THE STATUS OF THE LEASE AGREEMENT ON TOWN HALL AND THE SHERIFF'S OFFICE

Purpose and Background Information (Detail of requested action). HAVE NOT HEARD WHAT THE STATUS IS ON THE NEW LEASE. ITS BEEN ABOUT 2 MONTHS AND A UPDATE IS NEEDED.

Staff Recommendation(s): _____

Budgeted Amount: 0

List All Attachments: NONE

Type of Presentation: ORAL

Special Equipment needed: Laptop Remote Microphone Overhead Projector Other: _____

Contact Person: KAREN BROOKS

Note: Per Town Code §30.105(D): Any new item will be placed under "New Business" for the council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled for a future date, etc.

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APR 29 2019

Dewey-Humboldt

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: May 7, 2019

Date of Request: April 29, 2019

Requesting: Action Discussion or Report Only

Type of Action: Routine/Consent Agenda Regular

Agenda Item Text (a brief description for placement on the agenda; please be exact as this will be the wording used for the agenda):

WHAT IS THE STATUS OF HIRING A NEW TOWN CLERK

Purpose and Background Information (Detail of requested action). I HAVE

NOT HEARD HOW THE HIRING OF A NEW TOWN CLERK IS GOING

Staff Recommendation(s): _____

Budgeted Amount: 0

List All Attachments: NONE

Type of Presentation: ORAL

Special Equipment needed: Laptop Remote Microphone
 Overhead Projector Other: _____

Contact Person: Karen Brooks

Note: Per Town Code §30.105(D): Any new item will be placed under "New Business" for the council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled for a future date, etc.

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APR 29 2019

Dewey-Humboldt

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: MAY 7, 2019

Date of Request: APRIL 27, 2019

Requesting: Action Discussion or Report Only

Type of Action: Routine/Consent Agenda Regular

Agenda Item Text (a brief description for placement on the agenda; please be exact as this will be the wording used for the agenda):

IS IT TRUE GPREP IS NO MORE AND BEING REORGANIZED UNDER CAP OR DIFFERENT NAME

Purpose and Background Information (Detail of requested action). _____

WHAT IS THE STATUS OF THIS COMMITTEE THAT DOES NOT REPORT BACK TO TOWNS

Staff Recommendation(s): _____

Budgeted Amount: 0

List All Attachments: NONE

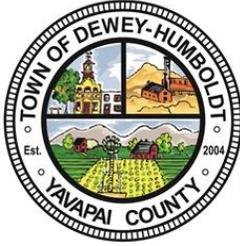
Type of Presentation: ORAL

Special Equipment needed: Laptop Remote Microphone
 Overhead Projector Other: _____

Contact Person: Karen Brooks

Note: Per Town Code §30.105(D): Any new item will be placed under "New Business" for the council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled for a future date, etc.

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TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-7362 ▪ Fax 928-632-7365
www.dhaz.gov

TOWN COUNCIL STUDY SESSION AND SPECIAL MEETING

May 7, 2019 – 6:30 p.m. Town Council Meeting Chambers
Agenda Item - #4. A. Public Works – Chipseal Contract Award

To: Mayor and Town Council Members
From: Ed Hanks, Public Works Director
Date Submitted: May 1, 2019

Recommendation: To award the 2019 Spring Chipseal Overlay Project to Earth Resources Corporation

Summary:

The 2019 Spring Chip Overlay Project was advertised and we received bids from two responsible bidders: Earth Resources Corporation for a total sum of \$206,827.00, and Asphalt Paving and Supply for a total sum of \$240,444.44. After reviewing the bids, local contractor Earth Resources Corporation appears to be the lowest responsible bidder at a total bid of \$206,827.

Staff recommends awarding the 2019 Spring Chipseal overlay Project Contract to Earth Resources Corporation at a price of \$206,887.

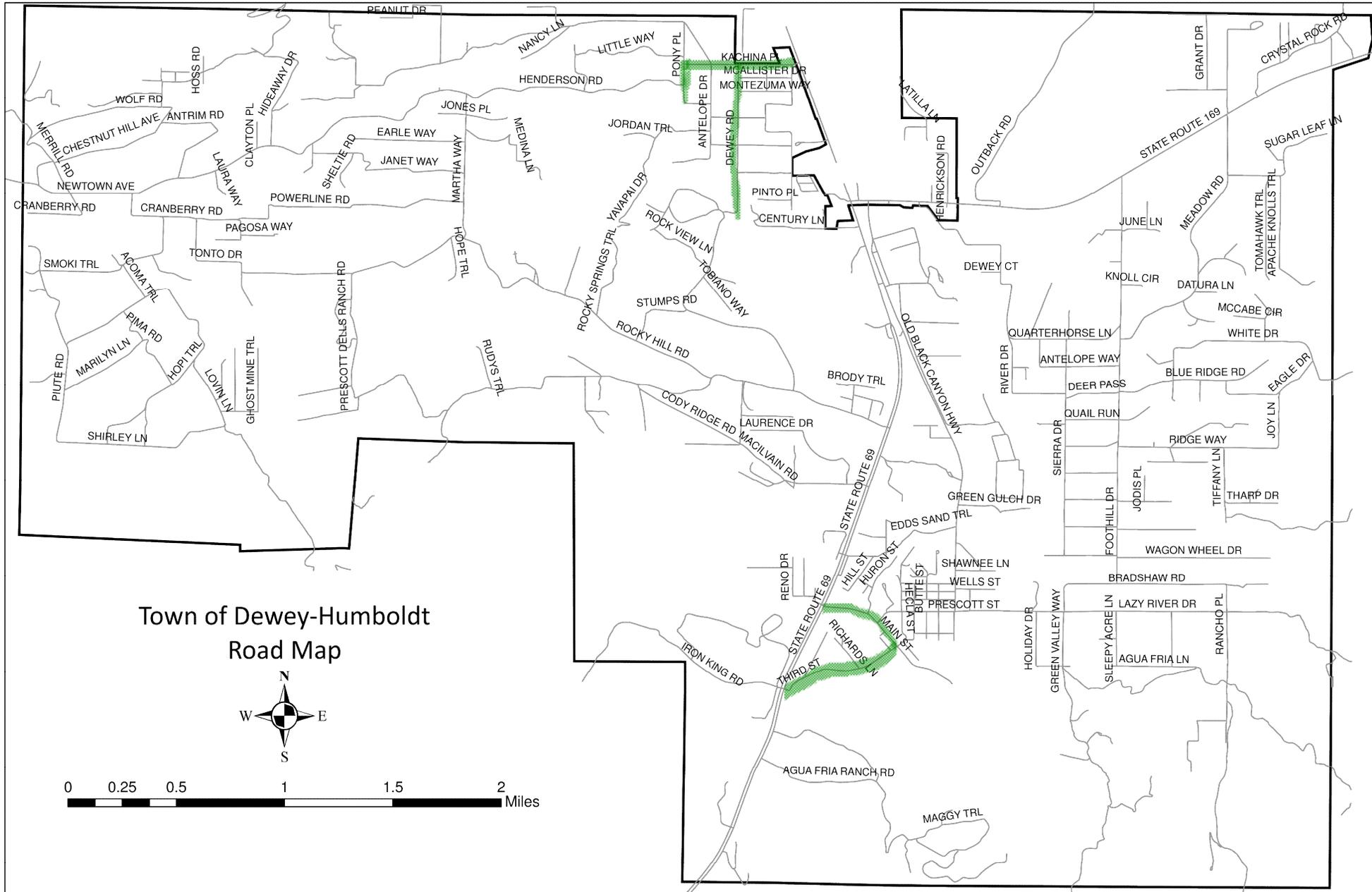
Attached is a copy of the bid-tabulation sheet, three road maps and the contract/bid documents.

2018 Spring Chipseal Bid Tabulation

Item No.	Base Bid	Quantity	Units	Earth Resources		Asphalt Paving and Supply	
	Description			Unit Price	Total	Unit Price	Total
	General conditions						
1	Mobilization	1	LS	\$ 600.06	\$ 600.06	\$ 7,525.00	\$ 7,525.00
2	Allowance for Extra work	1	LS	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
3	Traffic Control	1	LS	\$ 14,717.00	\$ 14,717.00	\$ 11,000.00	\$ 11,000.00
4							
5	Hot Patch Repair Per Appendix: A	40	Ton	\$ 248.00	\$ 9,920.00	\$ 225.00	\$ 9,000.00
6	Low Volume Single chip seal using CRS-2P over existing Pavement Per Mag Sec.-330 See Appendix:A	87452	SY	\$ 1.71	\$ 149,696.82	\$ 202.00	\$ 176,653.04
7	Fog Coat Per Mag sec.- 330 Appendix: A	140832	SY	\$ 0.16	\$ 22,533.12	\$ 0.20	\$ 28,166.40
8	Double yellow center line stripe Appendix B	14000	LF	\$ 324.00	\$ 3,360.00	\$ 0.15	\$ 2,100.00
9	Total Bid				\$ 206,827.00		\$ 240,444.44
10							

Spring 2019 Striping

Thursday, March 28, 2019 5:38 PM



Town of Dewey-Humboldt
Road Map



Department of Public Works
Bid Documents and Plans
for the
Spring 2019
Chipseal Overlay Project

**Town of Dewey-Humboldt
Public Works Department
2735 S. Hwy 69, Unit 10
Dewey-Humboldt, Arizona
Tel.: (928) 632-5074
Fax: (928) 632-7365
P.O. Box 69
Humboldt, AZ
86327**

**Prepared by:
Ed Hanks Jr.
Public Works Director**

Bid Date: April 29, 2019 2:00 PM, AZ local time



Town of Dewey-Humboldt
Notice and Invitation for Bids

Services: Chip Seal

Bid Opening/Deadline for Submittal: April 29, 2019 2:00 p.m.

Location: Dewey-Humboldt Town Hall, 2735 S Highway 69, Suite 12, Humboldt Station, Humboldt, AZ

Staff Contact/ telephone number: Ed Hanks, Public Works Director 928-632-5074

Contract Documents available at: Town of Dewey-Humboldt, Office of the Town Clerk, 2735 S Highway 69, Humboldt Station, Humboldt, AZ. 86329

Date and Location for Submittal of Sealed Bids: Sealed bids will be received by mail at Town of Dewey-Humboldt, Town Clerk’s Office, P.O. Box 69, Humboldt, AZ 86329, or delivered to Town of Dewey-Humboldt, Office of the Town Clerk, 2735 S Highway 69, Humboldt Station, Humboldt, AZ no later than 2:00 p. m. on April 29, 2019 for the above services. Bids must be submitted in a sealed envelope clearly marked on the outside “2019 Chip Seal Overlay”. Any bid received after the time specified will be returned unopened. It is the bidder’s responsibility to assure bids are received at the above location on or before the specified time. Bids will be opened at 2:00 p. m., and the names of proposers publicly read aloud immediately after the time for receiving bids.

Pre-Bid Conference: A mandatory pre-bid conference will be held on Monday April 15, 2019 at 2:00 p.m. at the Dewey-Humboldt Town Hall, 2735 S Highway 69, Suite 12 Humboldt Station, Humboldt, AZ 86329.

Work Summary: Dewey-Humboldt seeks chip seal overlay services. The services are required to be completed no later than the end of business on June 30, 2019. The services are generally described as follows: Chip seal overlay, approximately 87,452 square yards of low volume Single Chipseal on Town roadways, Approximately 140,832 square yards of Fog coating, Place approximately 40 tons of hot mix and approximately 14,000 linear feet of double yellow striping.

Bid Requirement: Each bid will be in accordance with the bid requirements, set forth in the Request for Bids, which may be downloaded from www.dhaz.gov or obtained by contacting the Town Clerk, telephone no. 928-632-7362 or Ed Hanks, telephone no. 928-632-5074. Any bid which does not conform in all material respects to the Request for Bids will be considered non-responsive.

Right to Reject Bids: Dewey-Humboldt reserves the right to reject any or all bids, waive any informality in a bid or to withhold the Award for any reason Dewey-Humboldt determines.

Equal Opportunity: Dewey-Humboldt is an equal opportunity employer. Minority and women’s business enterprises are encouraged to submit bids on this solicitation.

DATED: _____

TOWN OF DEWEY-HUMBOLDT, ARIZONA

Publications Date(s)

Julie Gibson, Town Clerk

**IMPORTANT
BIDDER'S CHECK LIST**

- 1. The Bid has been signed. (Bids not signed will not be considered.)
- 2. Authorized Signature Form is enclosed.
- 3. The bid prices offered have been reviewed.
- 4. Any required descriptive literature or other information have been included.
- 5. The Contract Time and/or schedules have been included.
- 6. All addenda numbers issued have been noted on Bidder's Affidavit (See Section 4.6).
- 7. The mailing envelope/package has been addressed to:
Town Clerk's Office
P.O. Box 69
Humboldt, Arizona 86329
- 8. Bid Package/Envelope has been identified with proposal number and title.
- 9. The bid is submitted in time to be received and stamped in by Clerk's Office representative no later than specified time on designated date. (Otherwise the bid cannot be considered.)
- 10. The Bid Guarantee in the form of a certified check, cashier's check or surety bond for 10% of the amount bid has been included.

INVITATION FOR BID DOCUMENTS FOR:
2018 CHIP SEAL OVERLAY
FOR THE TOWN OF DEWEY-HUMBOLDT, ARIZONA

Dewey-Humboldt intends to purchase chip seals overlay services in compliance with these specifications.

REQUIREMENTS FOR BIDDERS.

1.1 Bid Opening Date and Location: Bids will be received in the office of the Town Clerk, Dewey-Humboldt Town Hall, 2735 S. Highway 69, Unit 12, Humboldt, Arizona 86329 until 2:00 p.m., on Monday April 29, 2019 at which time the names of the bidders will be opened and publicly read. Late bids will not be considered.

1.2 Bid Documents Available: The Bid Documents consist of four parts: I. Requirements for Bidders, II. General Conditions, III. Scope of Work, and IV. Bidder's Bid (form). The Bid Documents are available for downloading from www.dhaz.gov or by contacting Julie Gibson, Town Clerk, telephone no. 928-632-7362 or Ed Hanks, Public Works Director, telephone no. 928-632-5074.

1.3 Incorporation of Bid Documents: All of the Bid Documents apply to and become a part of the terms and conditions of the bid.

1.4 Bid Form: Bids must be submitted only on the bid form. All bids must be submitted in a sealed envelope clearly marked "2019 Chip Seal Overlay."

1.5 Pre-Bid Conference: A **Mandatory Pre-Bid Conference** will be held at 2:00 p.m. on Monday April 15, 2019, at the Dewey-Humboldt Town Hall, Suite 12 Humboldt Station, Humboldt, Arizona. The Scope of Work will be reviewed, discussed and opened for questions. **Potential bidders are required to attend.** Potential bidders will be able to ask for interpretations and clarifications of this IFB at that time. Dewey-Humboldt will not be responsible to convey any clarifications to potential bidders who are not in attendance.

1.6 Dewey-Humboldt's Right to Reject Bids: Dewey-Humboldt reserves the right to reject any and all bids and to waive technicalities.

1.7 Late Bids: Late submittals and/or unsigned Bids will not be considered under any circumstances. Envelopes containing Bids with insufficient postage will not be accepted by Dewey-Humboldt. It is the sole responsibility of the Bidder to see that his/her Bid is delivered and received by the proper time and at the proper place.

1.8 Bid Amendment or Withdrawal: A Bid may be withdrawn any time before the Bid due date and time. A Bid may not be amended or withdrawn after the Bid due date and time except as otherwise provided by applicable law.

1.9 Public Record: All Bids submitted in response to this solicitation and all evaluation related records shall become property of Dewey-Humboldt and shall become a matter of public record for review, subsequent to bid opening. Request for nondisclosure of data such as trade secrets and other proprietary data, must be made known in writing to Dewey-Humboldt in Bids submitted, and the information sought to be protected clearly marked as proprietary. Dewey-Humboldt will not insure confidentiality of any portion of the bid that is submitted in the event that a public record request is made. Dewey-Humboldt will provide 48 hours' notice before releasing materials identified by the bid as confidential or proprietary in order for the bidder to apply for a court order blocking the release of the information.

1.10 Persons with Disabilities: Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk's Office. Requests shall be made as early as possible to allow time to arrange the accommodation.

1.11 Bid Acceptance Period: All bids shall remain open for ninety (90) days after the day of the opening of bids, but Dewey-Humboldt may, at its sole discretion, release any bid and return the bid security (as applicable) prior to that date. No Bidder may withdraw his Bid during this period without written permission from Dewey-Humboldt. Should any Bidder refuse to enter into a contract, under the terms and conditions of the procurement, Dewey-Humboldt may retain the security (as applicable), not as a penalty, but as liquidated damages.

1.12 Addendum: This Request for Bids may only be modified by a written Addendum. Potential Bidders are responsible for obtaining all addenda.

1.13 Bidder Registration: Bidders shall contact Dewey-Humboldt's Contact person, Ed Hanks, at (928) 632-5074 to make arrangements to receive notice of Addenda to this Solicitation. All addenda will be posted on the Dewey-Humboldt website at www.dhaz.gov.

1.14 Bid Bond: Each bid will be submitted on the Bid Form(s) included in the Contract Documents and will be accompanied by a certified check, cashier's check, or bid bond for ten percent (10%) of the amount of the bid, made payable to the Town of Dewey-Humboldt.

1.15 General Evaluation Standards:

1.15.1 In General. Dewey-Humboldt seeks to obtain the services described above in the Scope of Work and will award a contract to the lowest most responsive bidder. Dewey-Humboldt wishes to obtain the most reliable and productive services. Dewey-Humboldt will be the sole judge of whether the services offered are acceptable. Bids from individuals who have provided inadequate services to municipalities in the past, or bids offering services proven unsatisfactory in Dewey-Humboldt's sole judgment may be rejected and not considered

1.15.2 Clarifications. Dewey-Humboldt reserves the right to obtain Bidder clarifications where necessary to arrive at full and complete understanding of Bidder's product, service, and/or solicitation response. Clarification means a communication with a Bidder for the sole purpose of eliminating ambiguities in the Bid and does not give Bidder an opportunity to revise or modify its bid.

1.15.3 Waiver and Rejection Rights. Dewey-Humboldt reserves the right to reject any or all Bids or to cancel the solicitation altogether, to waive any informality or irregularity in any Bid received, and to be the sole judge of the merits of the respective Bids received.

1.16 Bid Preparation:

1.16.1 Format. Bidders shall submit their Bid with an original and **2 copies** and shall be submitted on the forms provided in this Invitation for Bids.

1.16.2 No Facsimile or Electronic Mail Bids. Bids may not be submitted in facsimile or electronically. A facsimile or electronic mail Bid shall be rejected.

1.16.3 Typed or Ink Corrections. The Bid shall be typed or in ink. Erasures, interlineations or other modifications in the Bid shall be initialed in ink by the person signing the Bid.

1.16.4 No Modifications. Modifications shall not be permitted after Bids have been opened except as otherwise provided under applicable law.

1.16.5 Content. The Bid shall contain all of the following information:

Brief Description of the Bidder's Firm

- A. Office location
- B. Length of time in business
- C. Total number of employees and number of local employees
- D. Names of principals, their disciplines, and Arizona registration.
- E. Services provided by the firm
- F. Experience in providing similar services within the last 2 years
- G. Three (3) references

Subcontractors:

Please list any firms that will act as subcontractors to your firm. Provide information regarding prior projects on which subcontractors have worked with your firm.

1.16.6 Solicitation Addendum Acknowledgement. Each Solicitation Addendum shall be acknowledged in the Bid Section, which shall be submitted together with the Bid on the Bid due date and time. Failure to note a Solicitation Addendum may result in rejection of the Bid.

1.16.7 Evidence of Intent to be Bound. The Bid form within the Solicitation shall be submitted with the Bid and shall include a signature by a person authorized to sign the Bid. The signature shall signify the Bidder's intent to be bound by its Bid and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Bid.

1.16.8 Non-Collusion and Non-Discrimination. By signing and submitting the Bid, the Bidder certifies that: the Bidder did not engage in collusion or other anti-competitive practices

in connection with the preparation or submission of its Bid; and the Bidder does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, age, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

1.17 Inquiries

1.17.1 Duty to Examine. It is the responsibility of each Bidder to examine the entire Solicitation, seek clarification (inquiries), and examine its Bid for accuracy before submitting the Bid. Lack of care in preparing a Bid shall not be grounds for modifying or withdrawing the Bid after the Bid due date and time, nor shall it give rise to any Contract claim.

1.17.2 Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation should be directed solely to the Contact person listed on the cover page of the solicitation. The Bidder shall not contact or direct inquiries concerning this Solicitation to any other Dewey-Humboldt employee unless the Solicitation specifically identifies a person other than the Contact Person as a contact.

1.17.3 Submission of Inquiries. All inquiries except those at the Pre-Bid Conference shall be submitted in writing and shall refer to the appropriate Bid Request, page and paragraph. Do not place the Bid Request on the outside of the envelope containing that inquiry, since it may then be identified as an Bid and not be opened until after the Bid due date and time. Dewey-Humboldt shall consider the relevancy of the inquiry but is not required to respond in writing.

1.17.4 Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least ten (10) days before the Bid due date and time for review and determination by Dewey-Humboldt. Failure to do so may result in the inquiry not being considered for a Solicitation Addendum.

1.17.5 No Right to Rely on Verbal Responses. A Bidder shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the Solicitation.

II. GENERAL CONDITIONS

2.1 Contract Term; Renewal. The Contract shall commence upon issuance of a Notice to Proceed by Dewey-Humboldt. All services shall be completed by June 30, 2019.

2.2 Bonds:

2.2.1 Bonds Required. Concurrently with the execution of the Contract, the Contractor shall furnish Dewey-Humboldt the following Bonds, which shall become binding upon the award of the Contract to the Contractor:

A Performance Bond in an amount equal to one hundred percent (100%) of the Contract amount conditioned upon the faithful performance of the Contract in accordance with Plans, Specifications and conditions thereof. Such Bond shall be solely for the protection of Dewey-Humboldt.

A Payment Bond in an amount equal to one hundred percent (100%) of the Contract amount solely for the protection of the claimants supplying labor or materials to the Contractor or his subcontractors in the prosecution of the Work provided for in such Contract.

2.2.2 Form. Bond forms to be executed are included with the Contract Documents. Each such Bond shall include a provision allowing the prevailing party in a suit on such Bond to recover as a part of this judgment such reasonable attorney's fees as may be fixed by a judge of the court. Each such bond shall be executed by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1 of the Arizona Revised Statutes and any amendments thereto. The Bonds shall be made payable and acceptable to Gilbert. The Bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in this State and the Bonds shall have attached thereto a certified copy of the Power of Attorney of the signing official.

2.2.3 Contingent Award. Submittal of the required bonds as set forth in this paragraph is a condition precedent to this contract becoming effective.

2.3 Cooperative Use of Contract: Upon written approval of the Successful Bidder, this Contract may be tendered for use by other municipalities and government agencies.

2.4 Protests: A bidder may protest a solicitation or a contract award by filing a protest in writing with the Town Manager not less than 72 hours before the closing date and time of the solicitation, or within 72 hours after issuance of a notice of apparent low responsive and responsible bidder, or a notice of intent to award. The protest shall include the following information: (1) the name, address and telephone number of the protester; (2) the signature of the protester or its authorized representative; (3) a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents.

III. SPECIFIC SCOPE OF WORK

The services are generally described as follows: The services are generally described as follows: Chip seal overlay, approximately 87,452 square yards of low volume Single Chipseal on Town roadways, Approximately 140,832 square yards of Fog coating, Place approximately 40 tons of hot mix and approximately 14,000 linear feet of double yellow striping.

The areas to be chip sealed, Fog Coated and striped are shown generally on Map Appendix A,B and C.

IV. BIDDER'S BID

4.1 Bidder's Bid: For the bid opening April 29, 2019 for Chip Seal Overlay services.

4.2 Covenant Clause: It is expressly agreed by Bidder that these covenants are irrevocable and perpetual.

BID SCHEDULE
Base Bid

Item No.	Description	Quantity	Unit	Unit Price	Total Amount
	General Conditions				
1	Mobilization	1	LS		
2	Allowance for extra work	1	LS	6000.00	6000.00
3	Traffic Control	1	LS		
4					
5	Prepare Road surface with Hot patch Repair	40	Ton		
6	Low Volume Single Chipseal using CRS-2P over existing Pavement Per Mag Sec.-330 See Map Appendix A	87,452	SY		
7	Fog Coat Per Mag sec.- 330 See Map Appendix B	140,832	SY		
8	Double yellow center line stripe Map Appendix C	14,000	LF		
9					
10					
11	Totals Bid				
12					

Total Bid _____

Name of Bidder: _____

Bidder's Address: _____

Bidder's License Type and Number: _____

Bidder's Signature: _____

Type or Print Name: _____

Phone/Fax: _____ /fax: _____

Project: Spring 2019 Chipseal overlay

BID SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, _____, (hereinafter “Principal”), and the _____, a corporation duly organized under the laws of the State of _____, duly licensed and holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1, (hereinafter “Surety”), are held and firmly bound unto the Town of Dewey-Humboldt, a municipal corporation as Obligee, in the sum of ten percent (10%) of the amount of the bid submitted by the Principal to the Mayor and Council of the Town of Dewey-Humboldt for the work described below, for the payment of which sum, well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, and administrators, successors, and assigns, jointly and severally, firmly by these presents, and in conformance with A.R.S. § 34-201.

WHEREAS, the Principal is herewith submitting its bid proposal for Dewey Humboldt –Spring 2019 Chipseal overlay.

NOW, THEREFORE, if the Town of Dewey-Humboldt shall accept the bid of the Principal and the Principal shall enter into a contract with the Town of Dewey-Humboldt in accordance with the terms of the bid proposal and give the Bonds and Certificates of Insurance as specified in the Standard Specifications with good and sufficient surety for the faithful performance of the contract and for the prompt payment of labor and materials furnished in the prosecution of the contract or in the event of the failure of the Principal to enter into the contract and give the Bonds and Certificates of Insurance, if the Principal pays to the Town of Dewey-Humboldt the difference not to exceed the penalty of the bond between the amount specified in the bid and such larger amount for which the Obligee may in good faith contract with another party to perform the work covered by the bid, then this obligation is void. Otherwise it remains in full force and effect provided, however, that this Bond is executed pursuant to the provisions of Section 34-201, Arizona Revised Statutes, and all liabilities on this Bond shall be determined in accordance with the provisions of the Section to the extent as if it were copied at length herein.

This Surety Bond shall not be executed by an individual surety or sureties, even if the requirements of A.R.S. Section 7-101 are satisfied.

Signed and sealed this _____ day of _____, 2019.

Principal

Title

Witness:

Surety

Title

Witness:

Address of Surety:

* Attach Power of Attorney

PROJECT SPECIFICATIONS

General Information:

- The Town of Dewey-Humboldt desires to Single chip seal existing Town owned roadways. The bidder is hereby made aware that intersections need extra attention under this contract and that the Town desires to coordinate its forces with the successful bidder to improve the radius at the bid unit prices per square yard.

- The work shall be as described in the plans and in these specifications.

Special Requirements:

Uniform Standard Specifications and Details: The Town of Dewey-Humboldt has adopted the “Uniform Standard Specifications for Public Works Construction” as sponsored and distributed by the Maricopa Association of Governments, Arizona and as supplemented by Central Yavapai County Government Unified Construction Standards. By this reference, these standards are incorporated into these Project Specifications and contract.

Permits: A Town Right of Way permit will not be required.

Award of Purchase: Bids will be evaluated and awarded based on the total base bid plus or minus any bid alternates, (if any), selected by the Town Council. The successful bidder will be selected by the Mayor and Council at the next regularly scheduled Town Council meeting following the bid opening date.

Time of Completion and Liquidated Damages: The successful bidder shall complete construction within **45** calendar days after **Notice to Proceed**. Failure to complete on time shall subject the successful bidder to liquidated damages as specified in Section 108.9 “Failure to Complete on Time” of the Maricopa Association of Governments Uniform Standard Specifications for Public Works Construction.

Form of Bid: All bids must be submitted on the Bid Proposal form attached hereto, and must be **sealed**, marked “**Spring 2019 Chipseal overlay**”, and received at the Office of the Town Clerk prior to the stated bid time. The Town reserves the right to accept or reject any and all bids.

Bid Sheet: The quantities listed are approximate and will be field verified for pay items. They may be increased, decreased or deleted at the discretion of the Town. **The unit bid prices shall be considered as full compensation. Therefore, they must include all state and local taxes and license taxes required to do the work.**

PROJECT SPECIFICATIONS

The specifications that follow are additional and/or clarifying provisions to the MAG/YAG Specs most applicable to this particular project.

SECTION 104: SCOPE OF WORK:

104.1.4. CLEAN-UP AND DUST CONTROL:

Particular care is to be given to dust control.

SECTION 106: CONTROL OF MATERIALS:

106.2 SAMPLES AND TESTS OF MATERIALS:

As written.

SECTION 301: SUBGRADE PREPARATION

The Contractor shall sweep all roadways to the satisfaction of the Town Agent prior to placement of single chip seal or second pass of double chip seal.

The Contractor shall mound sand on cut-to-fit roofing felt over manholes and water or gas valves prior to chip and shall remove felt and oil/chip waste prior to rolling.

SECTION 330: ASPHALT CHIP SEAL

330.3 TIME OF APPLICATION AND WEATHER CONDITIONS:

Temperature and other MAG Specification weather limitations shall be adhered to. The Town Agent shall have the discretion to prohibit or stop chip seal operations if, in his judgment, weather conditions are not conducive to proper cure of the chip seal coat. The chip seal coat shall not be placed prior to authorization of the Town Agent. No chip seal operations shall start prior to all equipment being on-site and in an operating condition and all traffic signs and flaggers being in position.

No chip seal construction will be allowed between September 1 and May 30 without the approval of the Town Agent.

330.4.1 PREPARATION OF SURFACES:

All roads will be swept clear of debris in accordance of M.A.G. section 330.4.1. All adjoining paved and concrete driveways shall be swept clean of excess rock and debris at time of completion of the project.

330.4.2 APPLICATION OF BITUMINOUS MATERIAL:

Asphalt shall conform to Section 712, MAG Specifications, for Grade CRS-2P applied at the following rates as directed by the Agent:

High Volume Single Chip Seal (1/2" chip): CRS-2P	0.50 to 0.60 Gal/SY
Low Volume Single Chip Seal (3/8" Chip): CRS-2P	0.35 to 0.45 Gal/SY

Contractor must provide specification sheets and test results for any submitted equal as a part of the bid package.

The Contractor shall supply the Town Agent with certified weight slips for each load to allow verification of application rates.

All other relevant portion of section 330.4.2 shall apply.

330.4.3 APPLICATION OF COVER MATERIAL:

Cover material shall correspond to the requirements of MAG Specifications, Section 716, except that the gradation shown in Tables 716-1 and 716-2 for sieve size #200 shall be 0 to 1% passing (**not** 0% to 2% passing for the #200 sieve size as shown).

The Contractor shall provide test reports sealed by an Engineer registered to practice in the State of Arizona which demonstrates that the material delivered conforms to the specification requirements. One test report shall be provided from the stockpile at the source prior to chip seal construction and an additional test report shall be provided for each 500 tons of chips or portion thereof delivered to the job site. Application shall be as follows:

Single Chip Seal Course -	3/8" Low Volume	20	to	30
Pounds/SY				
Single Chip Seal Course -	1/2" High Volume	25	to	35
Pounds/SY				

The Contractor shall supply the Town agent with certified weight slips to allow verification of the application rates.

All other portions of Section 330.4.3 shall apply.

330.4.4 ROLLING:

Placement and rolling shall be in accordance with MAG Specifications.

330.4.6 SURPLUS AGGREGATE REMOVAL:

As Written.

330.4.7 Distributing Equipment:

As written.

330.5 TRAFFIC:

As written.

330.7 PAYMENT

Payment shall be in accordance with Section 330.7 except as modified below:

Chip seal will be paid at the contract price per square yard which shall include all labor materials and equipment.

SECTION 333: FOG SEAL COATS

333.6 Application of Asphalt Emulsion

Approximate rate of application will be .15 gallon per square yard.

All other portions of Section 333 are as written.

SECTION 401: TRAFFIC CONTROL

401.2 TRAFFIC CONTROL DEVICES:

The Contractor shall provide the Traffic Control signs, markings and devices in accordance with the Arizona Department of Transportation Traffic Control Manual for Highway Construction and Maintenance and the Manual of Uniform Traffic Control Devices.

A reader board is required three working days prior to start of project. The reader boards shall be placed in the areas of Kachina Road west of Highway 69, Foothills Road south of Highway 169 and Main Street East of highway 69. Message will read the dates that the work will be performed.

The Contractor shall facilitate the safe movement of traffic through the work area as required for the duration of the project.

401.3 FLAGMEN OR PILOT CARS:

Flaggers shall be provided, as required, and/or deemed necessary by the Agent to facilitate the safe movement of traffic within the construction area.

The Contractor shall provide warning signs for “Slow, Loose Gravel, 15 MPH,” or other wording accepted by the Town agent at no less than 1/4-mile intervals through all chip seal areas until the surface has been swept free of loose material and accepted by the Engineer.

401.4 TRAFFIC CONTROL MEASURES:

As written.

401.5 GENERAL TRAFFIC REGULATIONS:

If at any time during the construction, the Town Agent feels that the Traffic Control being provided by the Contractor is inadequate, he may direct the Contractor to provide additional signs, and/or flagmen. Should the Contractor fail to provide the required Traffic Control, the Town Agent will arrange for said control. The cost of this control will be deleted from the Contractor’s pay.

401.7 PAYMENT:

All required Traffic Control provided in accordance with Section 401, MAG Specifications, and the additional conditions provided herein will be considered as incidental to chip seal operations. No separate measurement or payment will be made.

**AGREEMENT FOR SERVICES
CONTRACT**

THIS AGREEMENT is entered into as of this ____ day of _____, 2019, by and between the Town of DEWEY-HUMBOLDT, Arizona, a municipal corporation, hereinafter referred to as “Town” and _____, hereinafter referred to as “Contractor.”

FOR THE PURPOSE of providing Chip Seal services for the Town of Dewey-Humboldt, Town and Contractor do hereby mutually agree to the following:

1. SERVICES AND RESPONSIBILITIES

1.1 Retention of the Contractor. In consideration of the mutual promises contained in this Agreement, Town engages the Contractor to render services set forth herein, in accordance with all the terms and conditions contained in this Agreement.

1.2 Scope of Services. Contractor shall do, perform and carry out in a satisfactory and proper manner, as determined by Town, the services set forth in this Agreement, including all exhibits (“Services”). The specific scope of work is set forth in the Bid Documents and Contractor’s bid, which are attached hereto as Exhibit A and Bid Schedule.

1.3 Responsibility of the Contractor.

1.3.1 Contractor hereby agrees that the documents and reports prepared by Contractor will fulfill the purposes of the Contract, shall meet all applicable code requirements and shall comply with applicable laws and regulations. In addition, and not as a limitation on the foregoing, such documents and reports prepared by Contractor shall be prepared in accordance with professional Consulting standards, as applicable. Any review or approval of said documents and reports does not diminish these requirements.

1.3.2 Contractor shall tour the Services site and become familiar with existing conditions, including utilities, prior to commencing the Services and notify Town of any constraints associated with the Services site.

1.3.3 Contractor shall procure and maintain during the course of this Agreement insurance coverage required by Paragraph 4 of this Agreement.

1.3.4 Contractor shall designate _____ as Contractor Representative and all communications shall be directed to him. Prior to changing such designation Contractor shall first notify Town in writing.

1.3.5 Contractor's subcontracts are set forth in Exhibit B attached hereto and made a part hereof. Any modification to the list of Subcontractors on Exhibit B, either by adding, deleting or changing subcontractors, shall require the written consent of Town.

1.3.6 Contractor shall obtain its own legal, insurance and financial advice regarding Contractor's legal, insurance and financial obligations under this Agreement.

1.3.7 Contractor shall coordinate its activities with Town's representative and submit any required reports to Town's representative.

1.3.8 Contractor shall provide, pay for and insure under the requisite laws and regulations all labor, materials, equipment, and transportation, and other facilities and services necessary for the proper execution and completion of the Services. Contractor shall provide and pay for and insure for all equipment necessary for the Services.

1.3.9 Contractor shall obtain and pay for all business registrations, licenses, permits, governmental inspections and governmental fees necessary and customarily required for the proper execution and completion of Services. Contractor shall pay all applicable taxes. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Services.

1.4 Responsibility of Town.

1.4.1 Town shall cooperate with the Contractor by placing at its disposal all available information concerning the Services.

1.4.2 Town designates _____ as its Contract Representative. All communications to Town shall be through its Contract Representative.

1.4.3 Contract Term: The Contract shall commence upon issuance of a Notice to Proceed by Dewey-Humboldt. Work shall be completed within 45 calendar days, beginning with the day following the starting date specified in the Notice to Proceed. Failure to complete the Work on time shall subject Contractor to liquidated damages as set forth in Section 108.9 "Failure to Complete on Time" of the Maricopa Association of Governments Uniform Standard Specifications for Public Works Construction.

1.4.4 Contract Documents: Contract Documents shall include the following: The Call for Bids, Plans, Standard Specifications and Details, Special Provisions, Addenda, if any, and Proposal, as accepted by the Mayor and Council, Performance Bond, Payment Bond, Certificates of Insurance, and Change Orders, if any, are by this reference made a part of this Contract to the same extent as if set forth herein in full.

2. COMPENSATION AND METHOD OF PAYMENT

2.1 Compensation: All compensation for complete and satisfactory completion of services rendered by Contractor, including its subcontractor(s), shall be set forth in Exhibit C and shall not exceed \$_____.

2.2 Method of Payment. Method of payment shall be set forth in Exhibit C. If payment is to be made monthly, Contractor shall prepare monthly invoices and progress reports which clearly

indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices shall be for services completed.

2.3 Invoices. Town reserves the right to deduct up to ten percent (10%) from the invoiced amount for any invoice submitted more than sixty (60) days after the Services are completed. Invoices for the month of July shall be submitted on or before August 1st. Invoices submitted after the close out of the fiscal year (August 1st) shall not be paid by Town.

2.4 The Contractor shall provide to Town its completed W-9 Form prior to receipt of any Compensation.

2.5 Taxes. Contractor will be responsible for and shall pay all sales, consumer, use, and other taxes. When equipment, materials or services generally taxable to the Contractor are eligible for a tax exemption, credit or deduction due to the nature of the item, at Contractor's request, Town will assist Contractor in applying for and obtaining the same.

3. CHANGES TO THE SCOPE OF SERVICES

3.1 Change Orders. Town may, at any time, and by written change order, make changes in the services to be performed under this Agreement. A form of change order is attached hereto as Exhibit D. If such changes cause an increase or decrease in the Contractor's cost or time required for performance of any services under this Agreement, an equitable adjustment shall be made and the Agreement shall be modified in writing accordingly. Any claim of the Contractor for adjustment under this clause must be submitted in writing within thirty (30) days from the date of receipt by the Contractor of the notification of change. It is distinctly understood and agreed by the parties that no claim for extra services provided or materials furnished by Contractor will be allowed by Town except as provided herein nor shall Contractor provide any services or furnish any materials not covered by this Agreement unless Town first approves in writing.

4. INSURANCE REPRESENTATIONS AND REQUIREMENTS

4.1 General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A-7 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town. Failure to maintain insurance as specified may result in termination of this Agreement at Town's option.

4.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town does not represent that coverage and limits will be adequate to protect Contractor. Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

4.3 Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

4.4 Coverage Term. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of this Agreement is satisfactorily performed, completed and formally accepted by Town, unless specified otherwise in this Agreement.

4.5 Primary Insurance. Contractor's insurance shall be primary insurance as respects performance of subject contract and in the protection of Town as an Additional Insured.

4.6 Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the Services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.

4.7 Waiver. All policies, including Workers' Compensation Insurance, shall contain a waiver of rights of recovery (subrogation) against Gilbert, its agents, representative, officials, directors, officers, and employees for any claims arising out of the Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

4.8 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage, which contain deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to Town. Contractor shall be solely responsible for any such deductible or self-insured retention amount. Town, at its option, may require Contractor to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

4.9 Use of Subcontractors. If any Services under this Agreement are subcontracted in any way, Contractor shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting Town and Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

4.10 Evidence of Insurance. Prior to commencing any Services under this Agreement, Contractor shall furnish Town with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Contractor's Insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Acceptance and reliance by Town on a Certificate of Insurance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. Such

Certificate(s) shall identify the Agreement and be sent to Town Manager. If any of the above cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

4.10.1 Town, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

- a. Commercial General Liability-Under ISO Form CG 20 10 11 85 or equivalent.
- b. Auto Liability-Under ISO Form CA 20 48 or equivalent.
- c. Excess Liability-Follow Form to underlying insurance.

4.10.2 Contractor's insurance shall be primary insurance as respects performance of this Agreement.

4.10.3 All policies, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, directors, officials and employees for any claims arising out of Services performed by Contractor under this Agreement.

4.10.4 Certificate shall cite a thirty (30) day advance notice cancellation provision. If ACORD Certificate of Insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

4.11 Required Coverage:

4.11.1 Commercial General Liability: Contractor shall maintain "occurrence" from Commercial Liability Insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured Endorsement form CG 20 10 11 85 or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you". If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

4.11.2 Professional Liability: Contractor shall maintain Professional Liability insurance covering errors and omissions arising out of the Services performed by Contractor, or anyone employed by Contractor, or anyone for whose acts, mistakes, errors and omissions Contractor is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claims and \$2,000,000 all claims. Professional Liability coverage specifically shall contain contractual liability insurance covering the contractual obligations of this Agreement. In the event the Professional Liability insurance policy is written on a “claims made” basis, coverage shall extend for three (3) years past completion and acceptance of the Services, and Contractor shall be required to submit Certificates of Insurance evidencing proper coverage is in effect as required above.

4.11.3 Vehicle Liability: Contractor shall maintain Business Automobile Liability Insurance with a limit of \$1,000,000 each occurrence on Contractor’s owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor’s Services under this Agreement. Coverage will be at least as broad as Insurance Services Office, Inc., coverage code “1” any auto policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of performance of this Agreement, Town, its agents, representative, officers, directors, officials and employees shall be cited as an Additional Insured under the Insurance Service Offices, Inc. Business Auto Policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

4.11.4 Workers’ Compensation Insurance: Contractor shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor’s employees engaged in the performance Services under this Agreement and shall also maintain Employer Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

5. INDEMNIFICATION

5.1 To the fullest extent permitted by law, the Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless Town, its agents, officers, officials and employees from and against all demands, claims, proceedings, suits, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, Services caused by the Contractor, its agents, employees or any tier of Contractor’s subcontractors related to the Services in the performance of this Agreement. Contractor’s duty to defend, hold harmless and indemnify Town, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting therefrom, caused by Contractor’s acts, errors, mistakes, omissions, Services in the performance of this Agreement including any employee of the Contractor, any tier of Contractor’s subcontractor or any other person for whose acts, errors, mistakes, omissions, Services the Contractor may be legally liable including Town. Such indemnity does not extend to Town’s negligence.

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

6. TERMINATION OF THIS AGREEMENT

6.1 Termination. Town may, by written notice to the Contractor, terminate this Agreement in whole or in part with seven (7) days' notice, either for Town's convenience or because of the failure of the Contractor to fulfill his contract obligations. Upon receipt of such notice, the Contractor shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to Town copies of all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Contractor in performing this Agreement, whether completed or in process. This Agreement may be terminated in whole or in part by the Contractor in the event of substantial failure by Gilbert to fulfill its obligations.

6.2 Payment to Contractor upon Termination. If the Agreement is terminated, Town shall pay the Contractor for the services rendered prior thereto in accordance with percent completion at the time work is suspended minus previous payments.

7. ASSURANCES

7.1 Solicitations for Subcontractors, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the Contractor for Services to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Agreement and any Regulations relative to nondiscrimination on the grounds of race, color or national origin.

7.2 Examination of Records. The Contractor agrees that duly authorized representatives of Town shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this Agreement.

7.3 Ownership of Document and Other Data. Original documents and other data prepared or obtained under the terms of this Agreement or any change order are and will remain the property of Town unless otherwise agreed to by both parties. Town may use such documents for other purposes without further compensation to the Contractor; however, any reuse without written verification or adaptation by Contractor for the specific purpose intended will be at Town's sole risk and without liability or legal exposure to Contractor. Any verification or adaptation of the documents by Contractor for other purposes than contemplated herein will entitle Contractor to further compensation as agreed upon between the parties.

7.4 Litigation. Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damages claimed or portion of the amount payable under this

Agreement, that all litigation and collection expenses, witness fees, court costs, and reasonable attorneys' fees incurred shall be paid to the prevailing party.

7.5 Independent Contractor. This Contract does not create an employee/employer relationship between the parties. It is the parties' intention that the Contractor will be an independent contractor and not Town's employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. Contractor agrees that it is a separate and independent enterprise from Town, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Contract shall not be construed as creating any joint employment relationship between the Contractor and Town, and Town will not be liable for any obligation incurred by the Contractor, including but not limited to unpaid minimum wages and/or overtime premiums. [FOR SOLE PROPRIETORS ONLY: The Contractor shall execute the Sole Proprietor's Waiver of Workers' Compensation Benefits attached hereto and incorporated by reference.]

7.6 Immigration Law Compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of the Contract, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. Gilbert at its option may terminate the Contract after the third violation. Contractor shall not be deemed in material breach of this Contract if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Town retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

7.7 Equal Treatment of Workers. Contractor shall keep fully informed of all federal and state laws, county and local ordinances, regulations, codes and all orders and decrees of bodies or tribunals having any jurisdiction or authority, which in any way affect the conduct of the work. Contractor shall at all times observe and comply with all such laws, ordinances, regulations, codes, orders and decrees; this includes, but is not limited to laws and regulations ensuring equal treatment for all employees and against unfair employment practices, including the Occupational Safety and Health Administration ("OSHA") and the Fair Labor Standards Act ("FLSA").

Contractor shall protect and indemnify Gilbert and its representatives against any claim or liability arising from or based on the violation of such, whether by Contractor or its employees.

7.8 Exclusive Use of Services - Confidentiality. The services agreed to be provided by Contractor within this Agreement are for the exclusive use of Town and Contractor shall not engage in conflict of interest nor appropriate Town work product or information for the benefit of any third parties without Town consent.

7.9 Sole Agreement. There are no understandings or agreements except as herein expressly stated.

7.10 Notices. Any notice to be given under this Agreement shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

TOWN:

CONTRACTOR:

Town Manager
Town of Dewey-Humboldt
P.O. Box 69
Humboldt, Arizona 86327

The address may be changed from time to time by either party by serving notices as provided above.

7.12 Controlling Law. This Agreement is to be governed by the laws of the State of Arizona.

7.13 Israel. Contractor certifies that it is not currently engaged in and agrees for the duration of this Agreement that it will not engage in, a boycott of Israel, as that term is defined in Ariz. Rev. Stat. § 35-393.

8. SUSPENSION OF WORK

8.1 Order to Suspend. Town may order Contractor, in writing, to suspend all or any part of the Services for such period of time as it may determine to be appropriate for the convenience of Town.

8.2 Adjustment to Contract Fee. If the performance of all or any part of the Services is, for any unreasonable period of time, suspended or delayed by an act of Town in the administration of this Agreement, or by its failure to act within the time specified in this Agreement (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this Agreement necessarily caused by such unreasonable suspension or modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension or delay to the extent (1) that performance was suspended or delayed for any other cause, including the fault or negligence of the Contractor, or (2) for which an equitable adjustment is provided for or excluded under any other provision of this Agreement.

9. INTERESTS AND BENEFITS

9.1 Interest of Contractor. Contractor covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

9.2 Interest of Town Members and Others. No officer, member or employee of Town and no member of its governing body, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the services to be performed under this Agreement, shall participate in any decision relating to this Agreement which affects his personal interest or have any personal or pecuniary interest, direct or indirect, in this Agreement or the process thereof.

9.3 Notice regarding A.R.S. § 38-511. This Contract is subject to cancellation under Section 38-511, Arizona Revised Statutes.

10. ASSIGNABILITY

Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same without the prior written consent of Town thereto.

IN WITNESS WHEREOF, four (4) identical counterparts of this contract each of which shall, for all purposes, be deemed an original thereof, have been duly executed by the parties on the date and year first above written.

TOWN OF DEWEY-HUMBOLDT

By: _____
Terry Nolan, Mayor

ATTEST:

By: _____
Julie Gibson, Town Clerk

APPROVED AS TO FORM:

By: _____
Susan D. Goodwin, Town Attorney

CONTRACTOR

By: _____
Its: _____

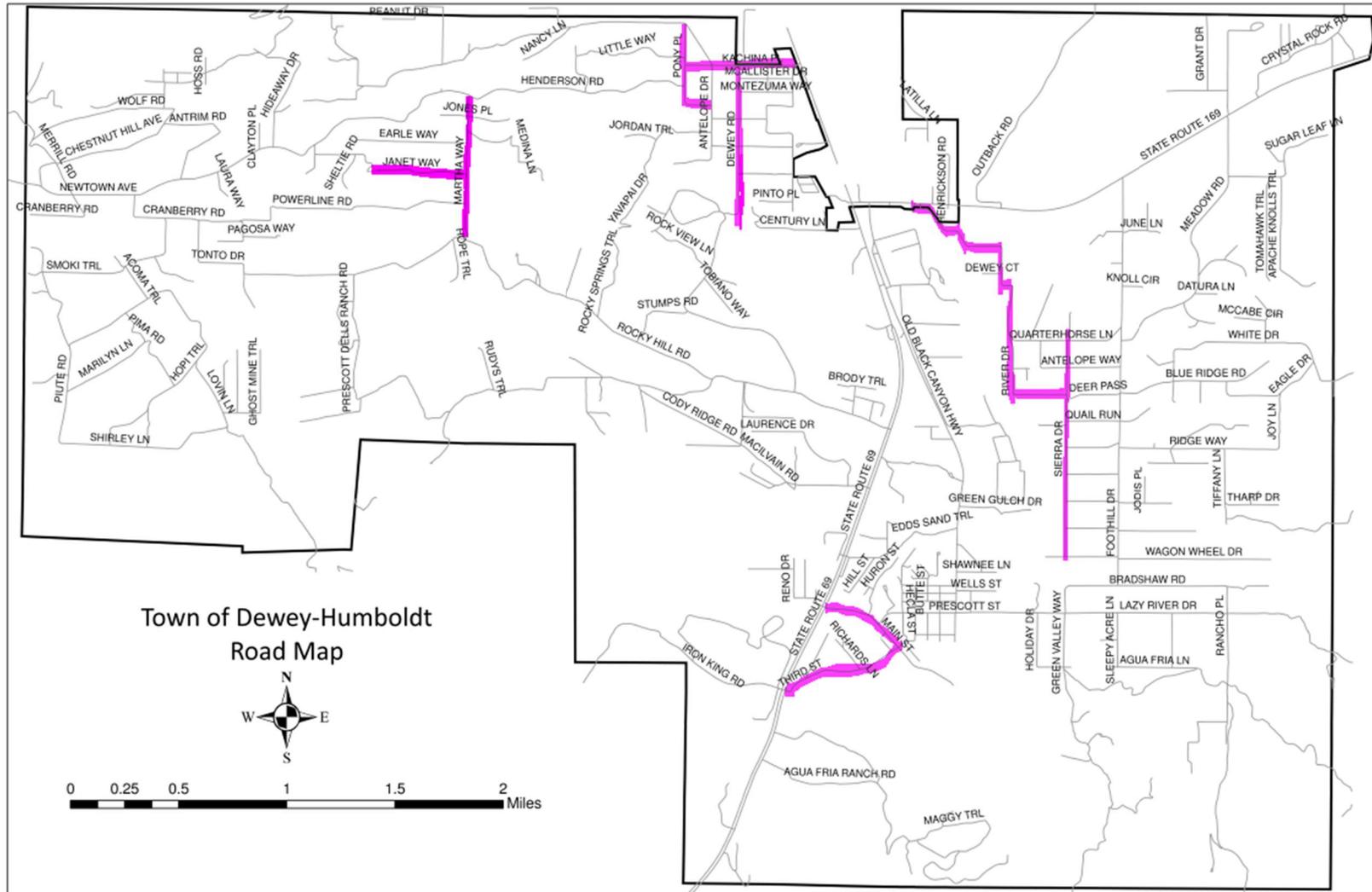
EXHIBIT A
SCOPE OF WORK

The services are as set forth in the invitation for Bids and Contractor's bid. The roads to be chip sealed are shown generally on Appendix: A. the roads to be Fog coated are shown on Appendix B and the Roads to be striped are shown on Appendix C attached hereto.

Spring 2019 Chipseal Roads

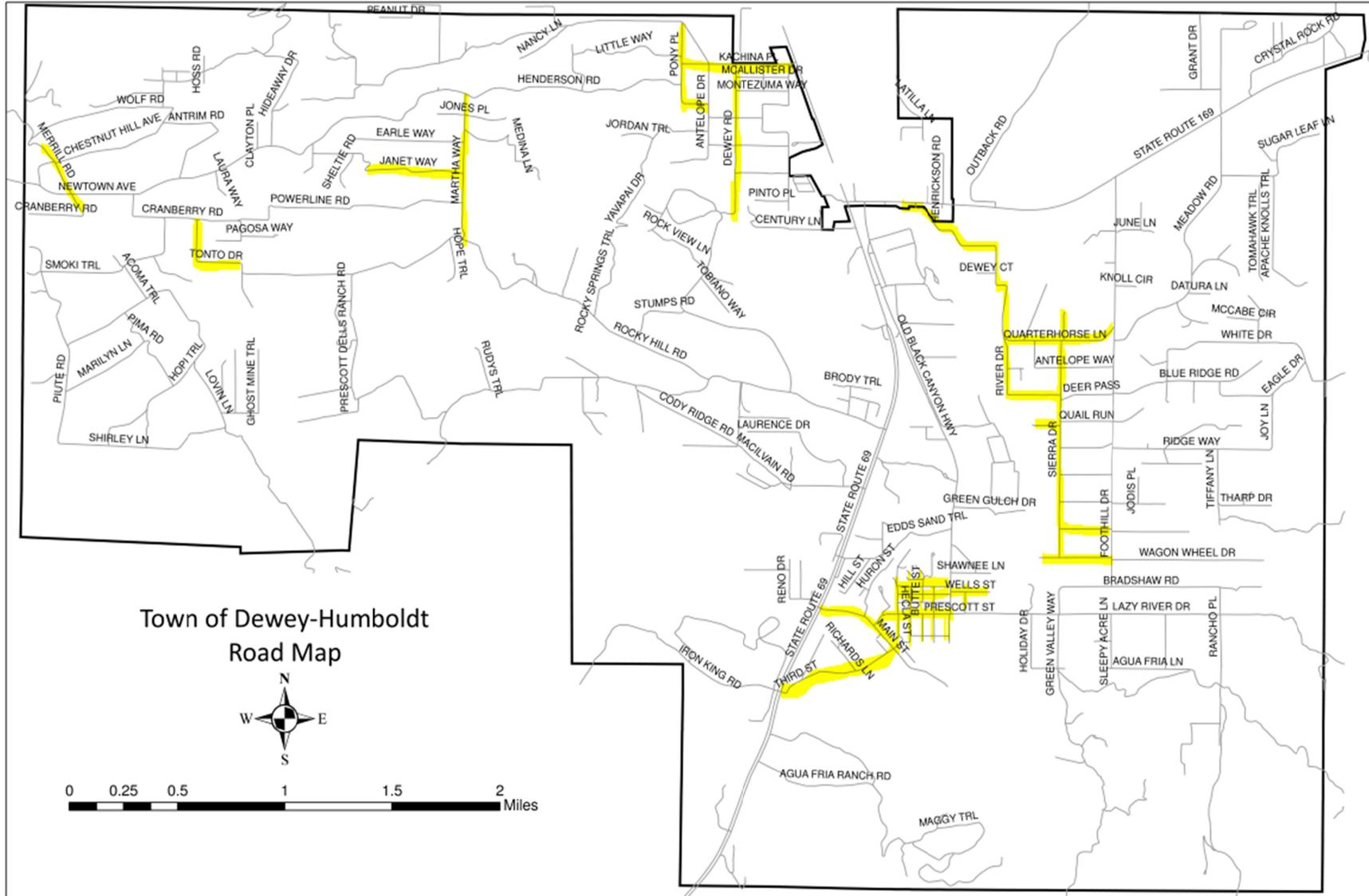
Wednesday, March 27, 2019 5:38 PM

Map A



Spring 2019 Fog Coat Roads

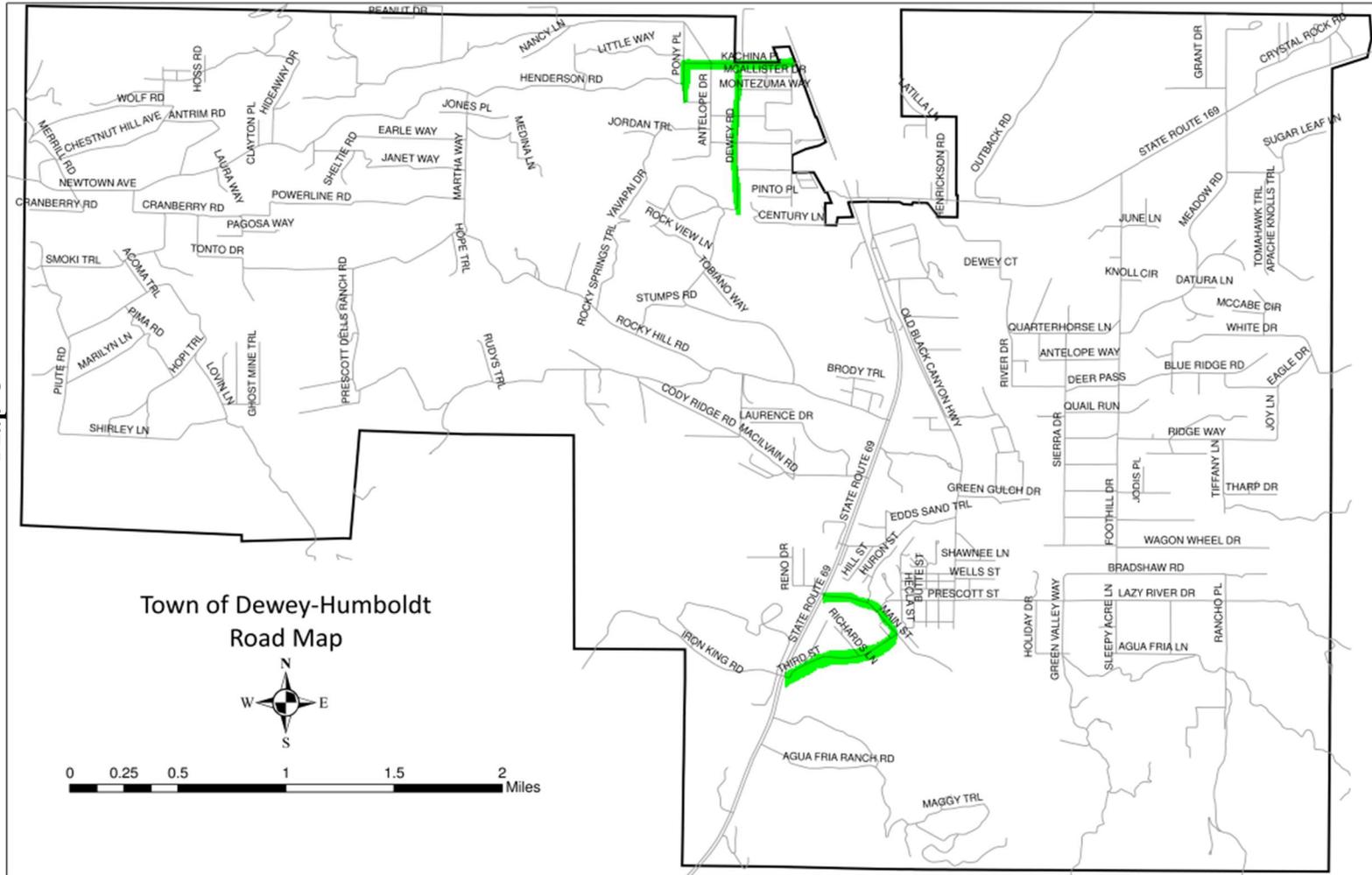
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Spring 2019 Striping

Thursday, March 28, 2019 5:38 PM

Map C



**EXHIBIT C
PAYMENT SCHEDULE**

A. Compensation

1. The consideration of payment to Contractor, as provided herein shall be in full compensation for all of Contractor's work incurred in the performance hereof, including offices, travel, per diem or any other direct or indirect expenses incident to providing the services.
2. Attached hereto as Exhibit C-1 is the Contractor's hours and fee estimate for the Project. Contractor's fee shall not exceed the amounts of the Bid Schedule:

Description	Amount
--------------------	---------------

B. Method of Payment

Invoices shall be on a form and in the format provided by Town and are to be submitted in triplicate to Town via Town's authorized representative.

STATE SOLE PROPRIETOR'S WAIVER (ATTACH)

Agreement including this Change Order will be _____

The Contract Time will increase by _____

ACCEPTANCE STATUS:

Contractor

Town of Dewey-Humboldt

By _____

By _____

Date _____

Date _____

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

KNOW ALL MEN BY THESE PRESENTS:

That, _____ (hereinafter "Principal"), and _____, a corporation organized and existing under the laws of the State of _____ and _____ duly licensed and holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1, with its principal office in the City of _____, (hereinafter "Surety") as Surety, are held firmly bound unto the Town of Dewey-Humboldt, County of Yavapai, State of Arizona (hereinafter "Obligee") in the amount of _____, (\$_____) the payment of which, the Principal and Surety bind themselves, and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with Obligee dated the ____ day of _____, 2018, to construct **Spring 2019 Chipseal Overlay**, which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall faithfully perform and fulfill all of the undertakings, covenants, terms, conditions and agreements of the Contract during the original term of the Contract and any extension of the Contract with or without notice to the Surety, and during the life of any guaranty required under the Contract and also performs and fulfills all of the undertakings, covenants, terms, conditions, and agreements of all duly authorized modifications of the Contract that may hereafter be made, notice of which modifications to the Surety being hereby waived; the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this Bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this Bond shall be determined in accordance with the provisions, of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the extent as if it were copied at length in the Agreement.

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

This Bond shall not be executed by an individual surety or sureties, even if the requirements of A.R.S. Section 7-101 are satisfied.

Witness our hands this ____ day of _____, 2019.

PRINCIPAL

SEAL

By _____

SURETY

SEAL

By _____

Address of Surety:

AGENT OF RECORD

AGENT ADDRESS

* attach Power of Attorney

LABOR AND MATERIALS BOND

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

KNOW ALL MEN BY THESE PRESENTS:

That, _____ (hereinafter "Principal") as Principal, and _____, a corporation organized and existing under the laws of the State of _____, duly licensed and holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1, (hereinafter "Surety"), with its principal office in the City of _____, as Surety, are held and firmly bound unto the Town of Dewey-Humboldt, County of Yavapai, State of Arizona (hereinafter "Obligee") in the amount of _____ (\$_____) for the payment whereof, the Principal and Surety bind themselves, and their heirs, administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with Obligee dated the ____ day of _____, 2019, to construct **Spring 2019 Chipseal Overlay**, which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal promptly pays all moneys due to all persons supplying labor or materials to the Principal or the Principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this Bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, of the Arizona Revised Statutes, and all liabilities on this Bond shall be determined in accordance with the provisions, conditions and limitations of Title 34, Chapter 2, and Article 2, Arizona Revised Statutes to the same extent as if they were copied in length in this Agreement.

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

This Bond shall not be executed by an individual surety or sureties, even if the requirements of A.R.S. Section 7-101 are satisfied.

Witness our hands this ____ day of _____, 2019.

PRINCIPAL

SEAL

By _____

SURETY

SEAL

By _____

Address of Surety:

AGENT OF RECORD

AGENT ADDRESS

* Attach Power of Attorney

TOWN OF DEWEY-HUMBOLDT, ARIZONA

CERTIFICATE OF INSURANCE

The

_____ certifies that the following insurance policies have been issued on behalf of

Name of Insured

_____ Address of Insured

Type of Insurance	Carrier	Policy No.	Eff. Date	Min. Amt. Of Coverage	Exp. Date	Limits of Liability
(1) Workmen's Compensation						Statutory
(2) Contractor's Protective Bodily Injury				\$2,000,000		Each Occurrence
(3) Contractor(s) Protective Property Damage				\$1,000,000 \$1,00,000		Each Accident Aggregate
(3) Contractual Bodily Injury				\$2,000,000		Each Occurrence
(3) Contractual Property Damage				\$1,000,000 \$1,000,000		Each Accident Aggregate
(4) Automobile Bodily Injury & Property Damage				\$1,000,000		Each Occurrence

Owner makes no representation that coverage and limits will be adequate to protect Contractor. All insurance required herein shall be maintained in full force and effect until all work required to be performed is satisfactorily performed, completed and formally accepted by Owner. All insurance coverage shall be on an occurrence basis and not claims made basis. Policies of insurance shall not be terminated or modified without at least 10 days' notice to Owner.

When the project includes construction of a new, or modification of an existing building (**in addition to the above types**):

(6) Fire and Extended Coverage plus Vandalism and Malicious Mischief for the Full Amount of Contract, with the Town of DEWEY-HUMBOLDT named as an additional insured.

Policy No.	Exp. Date	Amount
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(7) Umbrella Coverage

Policy Includes Coverage For:

- A. 1. Damage caused by blasting
 - 2. Damage caused by collapse or structural injury
 - 3. Damage to underground utilities

 - B. Liability assumed in construction agreements and other types of contracts or agreements in effect in connection with insured operations.

 - C. All owned, hired or non-owned automotive equipment used in connection with the insured operation.
-

It is agreed that none of these policies will be canceled or changed so as to affect this certificate until ten (10) days written notice of such cancellation or change has been delivered to the Town of Dewey-Humboldt.

It is further agreed that:

- (1) These policies shall not expire until all work has been completed and the project has been accepted by the Town of Dewey-Humboldt. **(If a policy does expire during the life of the Contract, a renewal Certificate of the required coverage must be sent to the Town of Dewey-Humboldt not less than five days prior to expiration date.)**

This certificate is not valid unless countersigned by an authorized representative of the Insurance Company.

Date _____ Countersigned by _____

Signature