1. Town Council - Agenda
   Documents:
   2020_06_023_CC_RG_AG.PDF

2. Town Council - Agenda Packet
   Documents:
   2020_06_023_CC_RG_AGPK.PDF

3. Appendix 7a-1 CVUSD Improvement Project
   Documents:
   APPENDIX 7A-1. CVUSD IMPROVEMENT PROJECT.PDF
AGENDA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

3. CALL TO THE PUBLIC

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4. RESPONSE TO THE PUBLIC

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

a. Request for Council approval of amendments to Unified Development Ordinance (UDO) Section 154 related to guest houses.

b. Comments and concerns with regard to lot split regulations.

5. CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.
a. Status reports by Mayor and Council regarding current events.

b. Reading of letter in support of our local Police Department by Mayor Darryl Croft.

c. Status report by Town Manager Cecilia Grittman regarding Town accomplishments, and current or upcoming projects.

d. Status report by Public Works Director/Town Engineer Frank Marbury regarding upcoming Capital Improvements.

e. Report regarding upcoming Alternative Expenditure Limitation (Home Rule) option. (Joe Duffy, Finance Director)

6. CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

a. Consideration and possible action to adopt Resolution No. 2020-1169, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on November 3, 2020, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to Chino Meadows II Water Company. (Andrew McGuire, Town Attorney)

b. Consideration and possible action to adopt Resolution No. 2020-1170, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on November 3, 2020, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to UNS Gas, Inc. (aka Unisource Energy Services). (Andrew McGuire, Town Attorney)

c. Consideration and possible action to adopt Resolution No. 2020-1168, amending Resolution No. 2020-1156, Call of Election for Fall 2020, designating election date, purposes of election, deadline for voter registration, and location and deadline for candidates to file nomination papers. (Jami Lewis, Town Clerk)

d. Consideration and possible action to acknowledge scrivener's correction on Council minutes dated May 12, 2020 pursuant to Town Code § 10.20 Authority to Correct Scrivener's Errors. (Jami Lewis, Town Clerk)

e. Consideration and possible action to approve the June 9, 2020, regular meeting minutes. (Jami Lewis, Town Clerk)
7. **ACTION ITEMS**

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.05(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

a. Consideration and possible action to approve a construction contract with Asphalt Paving & Supply, Inc. for the Chino Valley Unified School District Improvement Project in the amount of $266,126.66 contingent upon approval by the Chino Valley Unified School District Facilities Board. (Frank Marbury, Public Works Director/Town Engineer)

**Recommended Action:** Approve a construction contract with Asphalt Paving & Supply, Inc. for the Chino Valley Unified School District Improvement Project in the amount of $266,126.66 contingent upon approval by the Chino Valley Unified School District Facilities Board.

b. Consideration and possible action to adopt Ordinance 2020-881 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, by amending the following Sections: Section 3.6 (AR-5 Agricultural/Residential), Section 3.7 (AR-4 Agricultural Residential), Section 3.8 (SR-2.5 Single Family Residential), 3.9 (SR-2 Single Family Residential), 3.10 (SR-1.6 Single Family Residential and 3.11 (SR-1 Single Family Residential) by modifying the guesthouse requirements and removing Section 3.5 (AR-36 Agricultural/Residential) in its entirety. (Joshua Cook, Development Services Director)

**Recommended Action:** Adopt Ordinance 2020-881 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, certain sections related to guesthouse requirements.

c. Public Hearing regarding Resolution No. 2020-1161, relating to the Town's Final Budget for Fiscal Year 2020/2021 and the proposed expenditure limitation for the same year, in the amount of $24,407,900. (Joe Duffy, Finance Director)

**Recommended Action:** Hold the Public Hearing.

d. Public Hearing regarding (i) Resolution No. 2020-1162, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2020/2021, which shall constitute the budgets of the Districts for fiscal year 2020/2021 and (ii) the tax levy anticipated in conjunction with the budgets of the Districts. (Joe Duffy, Finance Director)

**Recommended Action:** Hold the Public Hearing.

8. **ADJOURNMENT**

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**SPECIAL MEETING**
**TUESDAY, JUNE 23, 2020**
6:05 P.M.

**Council Chambers**
202 N. State Route 89
Chino Valley, Arizona
AGENDA

1. CALL TO ORDER; ROLL CALL

2. Consideration and possible action to adopt Resolution No. 2020-1161, relating to the Town's Final Budget for Fiscal Year 2020/2021 and the proposed expenditure limitation for the same year, in the amount of $24,407,900. (Joe Duffy, Finance Director)

   Recommended Action: Adopt Resolution 2020-1161, adopting the FY 2020-21 Final Budget and establishing the FY 2020-21 expenditure limitation.

3. Consideration and possible action to adopt Resolution No. 2020-1162, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2020/2021, which shall constitute and are approved as the final budgets of the Districts for fiscal year 2020/2021. (Joe Duffy, Finance Director)

   Recommended Action: Adopt Resolution No. 2020-1162, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2020/2021, which shall constitute and are approved as the final budgets of the Districts for fiscal year 2020/2021.

4. ADJOURNMENT

EXECUTIVE SESSION
TUESDAY, JUNE 23, 2020
6:30 P.M.

AGENDA

1. An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation with the Town Attorney for legal advice relating to lot splits issues. (Andrew McGuire, Town Attorney)

2. ADJOURNMENT

Dated this 18th day of June, 2020.

By: Jami C. Lewis, Town Clerk

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Webinar ID: 880 8935 5589

CERTIFICATION OF POSTING

The undersigned hereby certifies that a copy of this notice was duly posted at Chino Valley South Campus, Chino Valley Post Office, and Chino Valley North Campus in accordance with the statement filed by the Town Council with the Town Clerk.

Date:_____________________      Time:__________________      By:______________________________________

Jami C. Lewis, Town Clerk
Town of Chino Valley

MEETING NOTICE
TOWN COUNCIL

REGULAR MEETING
TUESDAY, JUNE 23, 2020
6:00 P.M.

Council Chambers
202 N. State Route 89
Chino Valley, Arizona

A majority of the Councilmembers may attend a private invocation in the Council Conference Room immediately prior to the Council meeting. No Town business will be discussed.

AGENDA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL

2. INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

3. CALL TO THE PUBLIC

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4. RESPONSE TO THE PUBLIC

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

a. Request for Council approval of amendments to Unified Development Ordinance (UDO) Section 154 related to guest houses.

b. Comments and concerns with regard to lot split regulations.

5. CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.
a. Status reports by Mayor and Council regarding current events.

b. Reading of letter in support of our local Police Department by Mayor Darryl Croft.

c. Status report by Town Manager Cecilia Grittman regarding Town accomplishments, and current or upcoming projects.

d. Status report by Public Works Director/Town Engineer Frank Marbury regarding upcoming Capital Improvements.

e. Report regarding upcoming Alternative Expenditure Limitation (Home Rule) option. (Joe Duffy, Finance Director)

6. **CONSENT AGENDA**

   *All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.*

   a. p.7 Consideration and possible action to adopt Resolution No. 2020-1169, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on November 3, 2020, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to Chino Meadows II Water Company. (Andrew McGuire, Town Attorney)

   b. p.19 Consideration and possible action to adopt Resolution No. 2020-1170, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on November 3, 2020, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to UNS Gas, Inc. (aka Unisource Energy Services). (Andrew McGuire, Town Attorney)

   c. p.31 Consideration and possible action to adopt Resolution No. 2020-1168, amending Resolution No. 2020-1156, Call of Election for Fall 2020, designating election date, purposes of election, deadline for voter registration, and location and deadline for candidates to file nomination papers. (Jami Lewis, Town Clerk)

   d. p.37 Consideration and possible action to acknowledge scrivener's correction on Council minutes dated May 12, 2020 pursuant to Town Code § 10.20 Authority to Correct Scrivener's Errors. (Jami Lewis, Town Clerk)

   e. p.41 Consideration and possible action to approve the June 9, 2020, regular meeting minutes. (Jami Lewis, Town Clerk)
7. **ACTION ITEMS**

*The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.*

a. **p.49** Consideration and possible action to approve a construction contract with Asphalt Paving & Supply, Inc. for the Chino Valley Unified School District Improvement Project in the amount of $266,126.66 contingent upon approval by the Chino Valley Unified School District Facilities Board. (Frank Marbury, Public Works Director/Town Engineer)

**Recommended Action:** Approve a construction contract with Asphalt Paving & Supply, Inc. for the Chino Valley Unified School District Improvement Project in the amount of $266,126.66 contingent upon approval by the Chino Valley Unified School District Facilities Board.

b. **p.53** Consideration and possible action to adopt Ordinance 2020-881 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, by amending the following Sections: Section 3.6 (AR-5 Agricultural/Residential), Section 3.7 (AR-4 Agricultural Residential), Section 3.8 (SR-2.5 Single Family Residential), 3.9 (SR-2 Single Family Residential), 3.10 (SR-1.6 Single Family Residential and 3.11 (SR-1 Single Family Residential) by modifying the guesthouse requirements and removing Section 3.5 (AR-36 Agricultural/Residential) in its entirety. (Joshua Cook, Development Services Director)

**Recommended Action:** Adopt Ordinance 2020-881 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, certain sections related to guesthouse requirements.

c. **p.61** Public Hearing regarding Resolution No. 2020-1161, relating to the Town's Final Budget for Fiscal Year 2020/2021 and the proposed expenditure limitation for the same year, in the amount of $24,407,900. (Joe Duffy, Finance Director)

**Recommended Action:** Hold the Public Hearing.

d. **p.77** Public Hearing regarding (i) Resolution No. 2020-1162, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2020/2021, which shall constitute the budgets of the Districts for fiscal year 2020/2021 and (ii) the tax levy anticipated in conjunction with the budgets of the Districts. (Joe Duffy, Finance Director)

**Recommended Action:** Hold the Public Hearing.

8. **ADJOURNMENT**
AGENDA

1. CALL TO ORDER; ROLL CALL

2. 7.c. Consideration and possible action to adopt Resolution No. 2020-1161, relating to the Town's Final Budget for Fiscal Year 2020/2021 and the proposed expenditure limitation for the same year, in the amount of $24,407,900. (Joe Duffy, Finance Director)

   Recommended Action: Adopt Resolution 2020-1161, adopting the FY 2020-21 Final Budget and establishing the FY 2020-21 expenditure limitation.

3. 7.d. Consideration and possible action to adopt Resolution No. 2020-1162, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2020/2021, which shall constitute and are approved as the final budgets of the Districts for fiscal year 2020/2021. (Joe Duffy, Finance Director)

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4. ADJOURNMENT

EXECUTIVE SESSION

AGENDA

1. An executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation with the Town Attorney for legal advice relating to lot splits issues. (Andrew McGuire, Town Attorney)

2. ADJOURNMENT
Dated this 18th day of June, 2020.

By: Jami C. Lewis, Town Clerk

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Date:__________________ Time:__________________ By:______________________________________

Jami C. Lewis, Town Clerk
AGENDA ITEM TITLE:
Consideration and possible action to adopt Resolution No. 2020-1169, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on November 3, 2020, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to Chino Meadows II Water Company.

RECOMMENDED ACTION:
Adopt Resolution No. 2020-1169, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on November 3, 2020, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to Chino Meadows II Water Company.

SITUATION AND ANALYSIS:
Chino Meadows II Water Company (CMII) had a franchise agreement with the Town from July 1989 through June 2014.

On November 8, 2019, the Town received a proposal for a reinstatement of the franchise agreement from CMII. On January 14, 2020, Council approved a Call of Election placing the franchise question on the November 3, 2020, ballot. The Town Attorney briefed Council on the proposed agreement on May 26, 2020. Attorneys for the Town and CMII negotiated a final agreement, which is attached to this resolution. Upon approval, the agreement will be placed on the November 3, General Election ballot. If approved by the voters, the agreement will come back for Council's final approval.

Fiscal Impact

Fiscal Impact?: No
If Yes, Budget Code: 
Available: 
Funding Source: 
Attachments

RES 2020-1169 CMII Franchise
RESOLUTION NO. 2020-1169

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, DECLARING THAT THE COMMON COUNCIL DEEMS THE GRANTING OF A CERTAIN FRANCHISE BENEFICIAL FOR THE TOWN OF CHINO VALLEY; ORDERING AN ELECTION TO BE HELD ON NOVEMBER 3, 2020, FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE TOWN OF CHINO VALLEY THE QUESTION AS TO WHETHER OR NOT A FRANCHISE SHALL BE GRANTED TO CHINO MEADOWS II WATER COMPANY.

WHEREAS, Chino Meadows II Water Company is desirous of obtaining a franchise with the Town of Chino Valley in the form attached hereto as Exhibit A; and

WHEREAS, the Town of Chino Valley has determined that the granting of the proposed franchise for Chino Meadows II Water Company is beneficial to the Town; and,

WHEREAS, the Town of Chino Valley, at the request of Chino Meadows II Water Company, desires to conduct an election for the purpose of submitting to the qualified electors of the Town of Chino Valley the question of whether the proposed franchise shall be granted.

NOW, THEREFORE, BE IT RESOLVED, by the Common Council of the Town of Chino Valley, Arizona, as follows:

SECTION 1. That the Common Council of the Town of Chino Valley determines that the granting of the franchise proposed by Chino Meadows II Water Company in the form attached hereto as Exhibit A is beneficial to the Town of Chino Valley and the Town residents.

SECTION 2. That an election is hereby called and ordered to be held in the Town of Chino Valley on November 3, 2020, for the purpose of submitting to the qualified electors of the Town of Chino Valley the question as to whether the franchise under the terms and conditions of the above-referenced agreement shall be granted to Chino Meadows II Water Company.

SECTION 3. That this franchise election be held pursuant to the provisions of the Arizona Constitution and laws of the State of Arizona and Town Code of the Town of Chino Valley.

SECTION 4. That the ballots used at said election shall be substantially in the following form:

SHALL THE PROPOSED FRANCHISE FOR A PERIOD OF UP TO TWENTY-FIVE (25) YEARS BE GRANTED TO CHINO MEADOWS II WATER COMPANY FOR THE USE OF TOWN RIGHTS-OF-WAY FOR WATER UTILITY PURPOSES?

SECTION 5. That the Town Clerk and Town Manager are hereby authorized and directed to publish the proposed franchise and take such other actions required by law to conduct the election.

SECTION 6. That this Resolution supersedes Resolution No. 231 adopted on February 9, 1989.
PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 23rd day of June, 2020.

________________________________
Darryl L. Croft, Mayor

ATTEST:

______________________________
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

______________________________
Gust Rosenfeld, PLC, Town Attorneys
By: Andrew J. McGuire

I hereby certify the above foregoing Resolution No. 2020-1169 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on June 23, 2020, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

________________________________
Jami C. Lewis, Town Clerk
EXHIBIT A
TO
RESOLUTION NO. 2020-1169

[Franchise Agreement]

See following page.
FRANCHISE AGREEMENT

Proposed by

CHINO MEADOWS II WATER COMPANY

To The

TOWN COUNCIL OF CHINO VALLEY, ARIZONA

Section I. Grant of Franchise:

The Town of Chino Valley, an Arizona municipal corporation ("Municipality"), grants to Chino Meadows II Water Company, a corporation organized and existing under and by virtue of the laws of the State of Arizona (hereinafter called "Grantee"), its successors and assigns, the right, privilege, and franchise to construct, maintain, and operate upon, over, along, across, and under the present, and future public streets, alleys, ways, highways, bridges, and public utility easements ("Right-of-Way") in that portion of the Town described in the legal description marked Exhibit "A" and attached hereto, water mains, together with all necessary and desirable appurtenances (including but not limited to services, meter, standpipes, valves and boxes) (herein called the "Franchise"), for the purpose of supplying water to Municipality, its successors, the inhabitants thereof and all individuals and entities within the limits of the area described in Exhibit "A".

Municipality shall not be liable to Grantee should Grantee construct facilities pursuant to the Agreement in an area over which Municipality has erroneously exercised jurisdiction.

Section II. Grantee’s Compliance with Municipality Practice:

All construction under this Franchise shall be performed in accordance with all applicable federal, state and municipal laws, rules, ordinances and regulations and with established practices of Municipality with respect to the Right-of-Way.

Section III. Non-Exclusive Use:

The right to use and occupy present and future Right-of-Way for the purpose herein set forth shall not be deemed and exclusive franchise, and Municipality reserves the right to grant a similar use in said Right-of-Way to any person, firm or corporation.

Section IV. Construction and Relocation of Grantee’s Facilities; Payment:

4.1 Prior to commencing any work in a Right-of-Way (except in emergency circumstances), Grantee shall obtain any permit necessary for such work but in consideration of the payments made under Section VIII below, Grantee shall not be required to pay any permit fees to Municipality for any such work. Grantee, upon receipt from Municipality of any one-hundred percent (100%) detailed finalized plans that would require construction or relocation of Grantee facilities, shall advise Municipality on the estimated amount of work required and the anticipated necessary timeframe of such work within ninety (90) days of receipt of such plans. For purposes of budgeting and asset allocation by Grantee, Grantee shall have six (6) months from the receipt of such finalized plans in which to design and to commence construction or relocation of the necessary facilities. In the event of an emergency, Grantee shall notify Municipality 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 Right-of-Way.

4.2 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 Rights-of-Way. Those phases of construction of Grantee’s facilities related to traffic control, backfilling, compaction and paving, as well as the location or relocation of water lines and related facilities herein provided shall be subject to regulation by the Council or Municipality.

4.3 Grantee shall keep accurate records of the location of all facilities in the Right-of-Way and furnish them to Municipality upon request. Upon completion of new or relocation construction of underground facilities in the Right-of-Way, Grantee shall provide the designated Municipal Official or Council with corrected drawings showing the actual location of the underground facilities in those cases where the actual location differs significantly from the proposed location approved in the permit plans.

4.4 Representatives of Municipality and Grantee shall, during the entire term of this Franchise, meet at least once in each calendar year to review any projects involving the construction or modification of any Rights-of-Way within the subsequent five-year period in order for both parties to adequately plan and budget for such actions and to determine the extent of work required of Grantee, if any, for such projects.

4.5 If Municipality requires Grantee to relocate Grantee’s facilities which are located in private easements or Right-of-Way obtained by Grantee prior to Municipality’s acquisition of the Right-of-Way from which the facilities must be relocated, the entire cost of relocating Grantee’s facilities (including the cost of purchasing a new private easement or Right-of-Way, if necessary) shall be borne by Municipality. Municipality shall also bear the entire cost of all subsequent relocations of the relocated facilities required by Municipality, until such time as Municipality condemns or otherwise purchases Grantee private easement or right-of-way. Municipality and Grantee will cooperate to determine which facilities of Grantee are in private easements or Right-of-Way as the need arises.

4.6 If Municipality undertakes, either directly or through a contractor, any construction project adjacent to Grantee’s facilities operated pursuant to this Franchise, but which does not require relocation of Grantee’s facilities, Municipality shall notify Grantee of such construction project. Grantee will take steps as are reasonably necessary to maintain safe conditions throughout the construction project, including but not limited to the temporary barricading of Grantee’s pipelines or equipment, the location of which may create an unsafe condition in view of the equipment to be utilized or the methods of construction to be followed by the contractor, at Municipality’s cost.

A. Except as covered in Paragraph 4.6 above, Grantee shall bear the entire cost of relocating its facilities located on the Right-of-Way when required by Municipality in carrying out its functions which include, but are not limited to:

1. Any and all improvements to Municipality streets, alleys and avenues;
2. Establishing and maintaining sanitary sewer, storm drains and related facilities;
3. Establishing and maintaining municipal parks, parking, parkways, pedestrian malls, or grass, shrubs, trees, and other vegetation for the purpose of landscaping and street or public property;
4. Providing fire protection;
5. Collection and disposal of garbage;
6. Installation of pipe and other facilities owned by the Grantor the serve domestic and municipal water, if any.
B. Where Municipality’s facilities or other facilities occupying a Right-of-Way under authority of a Municipality permit or license are already located in the Right-of-Way and a conflict between Grantee’s potential facilities and the existing facilities can only be resolved expeditiously as determined by the Director of Public Work of Municipality by relocating the existing Municipality or Grantee’s facilities, Grantee shall bear the entire cost (including the cost of purchasing new easements or Right-of-Way, in necessary) of relocating the existing facilities, irrespective of the function they served.

C. If Municipality participates in the cost of relocating Grantee’s facilities for any reason, the cost of relocation to Municipality shall not include any upgrade or improvement of Grantee’s facilities as they existed prior to the relocation. The cost to Municipality shall be limited to those costs and expenditures reasonably incurred for relocating such facilities in accordance with federal, state and municipal laws, rules, ordinances and regulations and with established practices of Municipality and, where not in conflict therewith, applicable industry standards. Prior to payment by Municipality, Grantee shall provide an itemization of such costs and expenditures subject to Municipality’s review and approval. Such itemization shall be submitted to Town within ninety (90) days of completion of the relocation.

Section V. Indemnification:

Municipality shall not be liable to or responsible for any accident, injury or damage that may occur in the construction, operation or maintenance by Grantee of its facilities wherever located and for any purpose, except where such accident, injury or damage is the result of gross negligence or willful misconduct of Grantor. Grantee shall defend and indemnify Municipality and hold it harmless from and against any and all liability, loss, cost, attorneys and other legal fees, damage or any other expense which may accrue to or be incurred by Municipality as a result of injury or damage to any person or property occasioned by the exercise of this Franchise by Grantee not caused by gross negligence or willful misconduct of Municipality, and agrees to pay on behalf of Municipality any claims, settlements or judgments, including legal fees, made or entered against Municipality as a result of injury or damage to any person or property occasioned by the exercise of this Franchise by Grantee. Throughout the term of this Franchise, at its own cost and expense, Grantee 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 an amount not less than $1,000,000.00. The Policy(s) shall provide for a thirty (30) day prior written notice of cancellation or non-renewal by the insurer to Municipality. The policy or policies required hereunder shall be non-assessable and shall contain language (a) the insurer waives the right of subrogation against Municipality; (b) the policies are primary and non-contributing with any insurance that may be carrier by Municipality; (c) the policies cannot be cancelled or materially changed except after thirty (30) days notice by the insurer to Municipality; (d) that the coverage of the policies applies to Grantee’s obligation to indemnify the Municipality as provided herein. All policies of insurance of Grantee shall name Municipality as an additional Insured.

Section VI. Grantee to Maintain Service:

Grantee agrees to maintain the capacity of its system from time to time to meet the requirements and demands of Municipality and its inhabitants within the area specified and described in Exhibit “A” attached hereto, and to maintain its property and equipment in good order and condition in due compliance with Arizona laws and the Rules and Regulations of the Arizona Corporation Commission in effect from time to time.
Section VII. Restoration on Right-of-Way:

Whenever Grantee shall cause any opening or alteration whatever to be made for any purpose in any Right-of-Way the work shall be completed with due diligence within a reasonable, prompt time, and Grantee shall, upon completion of such work, restore the property disturbed to as good condition as it was prior to such opening or alteration. Municipality 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.

Section VIII. Fees:

Grantee agrees to pay Municipality in consideration of the grant of Franchise a sum equal to two percent (2%) of gross receipts of Grantee from the sale by it of the water at retail for residential, commercial and industrial purposes, within the area described in Exhibit “A” attached, as shown by Grantee’s billing records. Such payment to be due and payable quarterly. Except as otherwise provided in Section IX, such payment shall be in lieu of all fees or charges for permits or licenses issued for construction of Grantee’s facilities hereunder or for inspections thereof.

Section IX. Additional Fees and Taxes:

9.1 Notwithstanding any provision contained herein to the contrary, Grantee shall pay, in addition to the payment provided herein, the following charges, taxes and fees as may be established in a code or ordinance properly adopted by the Town: (a) general ad valorem property taxes; (b) transaction privilege and use tax as authorized by law and collected by Grantee for its retail sales to its customers within the present and any future corporate limits of the Town; (c) pavement cut fees; and (d) other charges, taxes or fees generally levied upon businesses by Municipality, 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 Municipality.

9.2 If during the term of this Franchise Grantee enters into any water utility 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.

9.3 Municipality has the authority, at Municipality’s expense, to conduct an audit of Grantee at any time during the term of this Franchise to determine compliance of Grantee under this Franchise. The audit shall be conducted in such a way as not to disrupt Grantee’s business operations. All relevant records of Grantee are subject to an audit conducted by Municipality. Municipality may determine the scope of audit in each audit conducted. This audit shall not be required more than once in a single 12 month period.

9.4 Grantee shall pay to Municipality within 45 days written notice any amounts that are due to Municipality as determined by any audit of Grantee. Reimbursement for underpayment as a result of audit findings shall be identified as late payments and are subject to late payment interest of 18% per year.
Section X. Ownership. All plant, system, pipelines, works, and all other physical property installed or operated by Grantee in accordance with the terms of this Franchise shall be and remain the property of Grantee, and upon expiration of this Franchise or any extension or renewal thereof, Grantee is hereby granted the right to enter upon the public property or other public premises of said Municipality for the purpose of removing any and all such plant, system, pipeline, works and other property of Grantee, at any time within six (6) months after termination of this Franchise or any such extension or renewal thereof. All underground abandoned lines shall continue to remain the property of the Grantee, unless Grantee specifically acknowledges otherwise to the Town Manager of Municipality and such is accepted by Municipality. Grantee shall remove, at Grantee's sole cost, abandoned lines at the request of Municipality when the lines are in physical conflict with Municipality’s facilities, in the opinion of the Town Engineer.

Section XI. Term:

This Franchise shall continue and exist for a period of twenty-five (25) years from the effective date of the franchise as determined by law. However, Municipality shall have the right during each 180 day period immediately prior to the tenth (10th) and seventeenth (17th) anniversaries of the acceptance date of this Franchise to request from Grantee a modified form of this Franchise. If Grantee fails to comply with the request, Municipality may terminate this Franchise. If Municipality terminates this Franchise or the electors reject the modified Franchise, this Franchise terminates on the anniversary date immediately subsequent to the termination or rejection.

Section XII. Independent Provisions:

If any section, paragraph, clause, phrase or provision of this Franchise, other than Section VIII shall be adjudged invalid or unconstitutional, the same shall not affect the validity if this Franchise as a whole or any part of the provisions hereof other than the part so adjudged invalid or unconstitutional. If Section VIII shall be adjudged invalid or unconstitutional in whole or in part by a final judgment, this Franchise shall immediately terminate and shall be of no further force or effect.

Section XIII. Condemnation; Right Reserved by Municipality:

Municipality reserves the right and power to acquire, in any manner permitted by law, all or any portion of the plant and distribution facilities of Grantee to the extent permitted by law.

Section XIV. Assignment:

This Franchise, and the rights, privileges and franchise hereby granted may not be transferred in whole or in part by Grantee, its successors and assigns, unless a resolution consenting to such assignment has been adopted by the Mayor and Common Council of Municipality; provided, however, that the foregoing shall not be deemed to require consent in the case of an assignment made as security pursuant to a mortgage and deed of trust, or any transfer made in enforcement of rights thereunder or by action of law, or in the case of a transfer pursuant to a merger or consolidation with or another corporation which assumes the obligation of Grantee hereunder.

Section XV. Expiration:

Municipality and Grantee hereby expressly agree that the following provisions shall survive the termination or expiration of this Franchise:

Upon the termination or expiration of the Franchise, if Grantee shall not have acquired or accepted an extension or renewal hereof, it may remove its facilities and system within Municipality or at its option, may continue operating its
facilities and system within Municipality for no longer than 180 days from the expiration date of the franchise but during said 180 day-period, it shall be required to obtain proper permits each time it make additional extensions upon, over, along, across, and under the Right-of-Way within Municipality unless or until such time as a new franchise is obtained or the system and facilities are removed or are acquired by Municipality through the exercise of its power of eminent domain or the 180 day period expires.

Section XV. Failure of Grantee to Perform:

16.1 It is agreed that in case of the failure of Grantee to perform and carry out any of the stipulations and agreements herein set forth within Grantee’s control, and with respect to redress is not otherwise herein provided, Municipality may, after hearing, determine such failure is of a substantial nature thereon and, thereupon, after giving Grantee such termination, Grantee shall have 60 days in which to remedy the conditions respecting which such determination shall have been made. After the expiration of such 60 day period, and failure to correct such conditions, Municipality may declare this Franchise forfeited, and thereupon Grantee shall have no further right or authority hereunder.

16.2 Nothing herein contained shall limit or restrict any other legal and equitable rights that Municipality may possess arising from such violations.

Section XVII. Acceptance and Effective Date:

If a majority of the qualified electors of the Town of Chino Valley authorize the granting of the Franchise to Chino Meadows II Water Company, its successors and assigns, and upon Grantee filing its acceptance of the franchise by signing and accepting the franchise documents, said franchise will thereafter be in full force and effect on the effective date as prescribed by law. Company shall reimburse all of Town’s expenses incurred in conducting the Franchise election (including Town’s legal fees related to this Franchise; cost for publication of the proposed Franchise Agreement in the Prescott Courier per A.R.S. 9-502(C) and 39-203; and any expenses charged to Town for conducting the election through the County of Yavapai, pursuant to Section ____). If more than one item is on the same ballot, Company shall pay only that prorated portion of Town’s election expenses determined by dividing all of Town’s expenses for the election by the total number of measures presented on the ballot plus one if there is a general election for Town mayor and/or councilmembers.

Section XVIII. 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 below, or (ii) on the third business day following its deposit with the United States Postal Service, first class and certified or register mail, return receipt requested, postage prepaid, addressed as follows:

To Municipality:

Town Manager
Town of Chino Valley
202 N. State Route 89
Chino Valley, Arizona 86323

To Grantee:
PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona, this _____ day of __________________, 2019.

________________________
Darryl Croft, Mayor

ATTEST:

________________________
Jami Lewis, Town Clerk

APPROVED AS TO FORM:

________________________
Andrew McGuire, Town Attorney
All terms of this franchise are hereby accepted and approved:

Chino Meadows II Water Company,
An Arizona Public Service Corporation

By________________________
Paul D, Levie, President

ATTEST:

________________________
Rae Levie, Corporate Secretary
AGENDA ITEM TITLE:
Consideration and possible action to adopt Resolution No. 2020-1170, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on November 3, 2020, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to UNS Gas, Inc. (aka Unisource Energy Services).

RECOMMENDED ACTION:
Adopt Resolution No. 2020-1170, declaring that the Town Council deems the granting of a certain franchise beneficial for the Town, and ordering an election to be held on November 3, 2020, for the purpose of submitting to the voters the question as to whether or not a franchise shall be granted to UNS Gas, Inc. (aka Unisource Energy Services).

SITUATION AND ANALYSIS:
Citizens Utilities Company, a natural gas provider, entered into a franchise agreement with the Town in March 1997. In 2003, Citizens Utilities was assigned to Unisource Energy Corporation (UNS). The franchise with UNS will expire in March 2022.

In April of this year, UNS contacted the Town to request that a new franchise agreement be placed on the ballot during the Town's 2020 election cycle. As Council had already approved a Call of Election on January 14, 2020, an amended Call of Election adding the UNS franchise to the November 3, 2020, ballot is on this agenda. The Town Attorney briefed Council on the proposed agreement on May 26, 2020. Attorneys for the Town and UNS negotiated a final agreement, which is attached to this resolution. Upon approval, the agreement will be placed on the November 3, General Election ballot. If approved by the voters, the agreement will come back in the form of an ordinance for Council's approval.

Fiscal Impact
Fiscal Impact?: No
If Yes, Budget Code:
Available:
Funding Source:

Attachments
RES 2020-1170 UNS Franchise
RESOLUTION NO. 2020-1170

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, DECLARING THAT THE COMMON COUNCIL DEEMS THE GRANTING OF A CERTAIN FRANCHISE BENEFICIAL FOR THE TOWN OF CHINO VALLEY; ORDERING AN ELECTION TO BE HELD ON NOVEMBER 3, 2020, FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE TOWN OF CHINO VALLEY THE QUESTION AS TO WHETHER OR NOT A FRANCHISE SHALL BE GRANTED TO UNS GAS, INC. [ALSO KNOWN AS UNISOURCE ENERGY SERVICES].

WHEREAS, UNS Gas, Inc. is desirous of obtaining a franchise with the Town of Chino Valley in the form attached hereto as Exhibit A; and

WHEREAS, the Town of Chino Valley has determined that the granting of the proposed franchise for UNS Gas, Inc. is beneficial to the Town; and

WHEREAS, the Town of Chino Valley, at the request of UNS Gas, Inc., desires to conduct an election for the purpose of submitting to the qualified electors of the Town of Chino Valley the question of whether the proposed franchise shall be granted.

NOW, THEREFORE, BE IT RESOLVED, by the Common Council of the Town of Chino Valley, Arizona, as follows:

SECTION 1. That the Common Council of the Town of Chino Valley determines that the granting of the franchise proposed by UNS Gas, Inc. in the form attached hereto as Exhibit A is beneficial to the Town of Chino Valley and the Town residents.

SECTION 2. That an election is hereby called and ordered to be held in the Town of Chino Valley on November 3, 2020, for the purpose of submitting to the qualified electors of the Town of Chino Valley the question as to whether the franchise under the terms and conditions of the above-referenced agreement shall be granted to UNS Gas, Inc.

SECTION 3. That this franchise election be held pursuant to the provisions of the Arizona Constitution and laws of the State of Arizona and Town Code of the Town of Chino Valley.

SECTION 4. That the ballots used at said election shall be substantially in the following form:

**SHALL THE PROPOSED FRANCHISE FOR A PERIOD OF UP TO TWENTY-FIVE (25) YEARS BE GRANTED TO UNS GAS, INC. FOR THE USE OF TOWN RIGHTS-OF-WAY FOR NATURAL GAS UTILITY PURPOSES?**

SECTION 5. That the Town Clerk and Town Manager are hereby authorized and directed to publish the proposed franchise and take such other actions required by law to conduct the election.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 23rd day of June, 2020.

________________________________
Darryl L. Croft, Mayor

ATTEST:

______________________________
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

______________________________
Gust Rosenfeld, PLC, Town Attorneys
By: Andrew J. McGuire

I hereby certify the above foregoing Resolution No. 2020-1170 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on June 23, 2020, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. _____ Council members were absent or excused.

______________________________
Jami C. Lewis, Town Clerk
EXHIBIT A
TO
RESOLUTION NO. 2020-1170

[Ordinance Granting Franchise]

See following page.
ORDINANCE NO. ______

AN ORDINANCE GRANTING TO UNS GAS, INC. AN ARIZONA CORPORATION, ITS SUCCESSORS, LESSEES AND Assigns, CERTAIN POWERS, LICENSES, RIGHTS-OF-WAY, PRIVILEGES AND FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN IN TOWN OF CHINO VALLEY, STATE OF ARIZONA, AS NOW OR HEREAFTER CONSTITUTED, A TRANSMISSION AND DISTRIBUTION SYSTEM OF GAS MAINS, PIPELINES AND RELATED APPURTENANCES FOR THE TRANSPORTING, SALE AND DISTRIBUTION OF GAS INTO, OUT OF, AND THROUGH SAID TOWN, AND FOR THE DISTRIBUTION AND SALE OF SUCH GAS TO SAID TOWN, ITS INHABITANTS AND OTHERS, INCLUDING CUSTOMERS INSIDE, BEYOND, AND OUTSIDE OF THE LIMITS OF SAID TOWN; AND TO USE THE STREETS, AVENUES, EASEMENTS, RIGHTS-OF-WAY, ALLEYS, HIGHWAYS, SIDEWALKS, AND BRIDGES IN SAID TOWN FOR SUCH PURPOSE FOR A PERIOD OF TWENTY-FIVE (25) YEARS; AND PRESCRIBING IN CONNECTION THEREWITH CERTAIN RIGHTS, DUTIES, TERMS AND CONDITIONS HEREIN MENTIONED; AND PROVIDING FOR THE PAYMENT TO SAID TOWN OF A PERCENTAGE OF CERTAIN REVENUES OF GRANTEE FROM ITS OPERATIONS THEREIN

BE IT ORDAINED by the governing body of the Town of Chino Valley, as follows:

Section 1. Grant of Franchise. That the Town of Chino Valley, a municipal corporation in Yavapai County, Arizona, herein called “Town”, hereby grants to and vests in UNS Gas, Inc., an Arizona corporation, duly authorized to transact within this State a public service business as a natural gas utility, herein called “Company”, a franchise (“Franchise”) with the authority, license, power and privilege to maintain, construct, build, equip, conduct or otherwise establish and operate in said Town, as now or hereafter constituted, a transmission and distribution system of gas mains, pipelines, and related appurtenances in compliance with a permit issued pursuant to Paragraph 3.1, to use, sell, distribute, and convey or otherwise establish, conduct, serve, supply or furnish the inhabitants of said Town and others, and to the Town gas for light, fuel, power, heat and any and all other useful purposes, and Company hereby is granted passage, right-of-way and the right to occupy and use during the life of this Franchise in any lawful way, both above and beneath the surface of the same, every and any and all Town streets, avenues, alleys, highways, sidewalks, bridges and other dedicated public rights-of-way, now existing or may be hereinafter extended (collectively referred to as “Rights-of-Way”) for every and any such service, use, effect and lawful purpose as herein mentioned.

Section 2. Construction and Relocation of Facilities.

2.1 Company is hereby authorized, licensed and empowered to do any and all things necessary and proper to be done and performed in executing the powers and utilizing the privileges herein mentioned and granted by this Franchise, provided the same do not conflict, in the reasonable opinion of Town, (i) with water or other pipes, sewers (including storm sewers and publicly-owned drainage facilities of all kinds), or any other underground installations of Town, or (ii) with underground installations of others existing at the time of the proposed installation of facilities by Company. All work done in the Rights-of-Way shall be done with the utmost diligence.
and the least practical inconvenience to the public or individuals, and that Company shall, subject to the reasonable approval of Town and within a reasonable time, restore any disturbed public or private property or other premises excavated by it to their original condition as nearly as practicable, subject to the reasonable approval of Town. 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.

2.2 Company shall remove or relocate its facilities as and when required by Town to accommodate a public purpose; said removal or relocation shall be made at the sole cost and expense of Company, unless (1) Company can demonstrate that its facilities were lawfully installed prior to the dedication to or acquisition by Town of the property in question in which case the cost and expense shall be the responsibility of Town, or (2) the Town fails to commence the public purpose within three years of such relocation, in which case the cost and expense shall be the responsibility of the Town.

2.3 Town will not exercise its right to require utility facilities to be relocated in an unreasonable or arbitrary manner and will reasonably cooperate with Company on the location and relocation of Company’s and other facilities in the public right-of-way. Completed or “as-built” plans of any facilities installed or relocated by Company shall be submitted by Company to Town as may be required by Town’s Public Works Director. All work performed by Company and/or its agents shall be in compliance with applicable Town codes, federal and state laws, policies and procedures of Town and other applicable regulations.

2.4 If Town pays all or part of the cost of relocating Company’s facilities pursuant to this Franchise, the cost to Town shall be limited to those costs and expenditures reasonably incurred for relocating such facilities in accordance with federal, state and Town laws, rules, ordinances and regulations and with established practices of Municipality, and, where not in conflict therewith, applicable industry standards. Costs to Town for relocation of Company’s facilities shall not include any upgrade or improvement of Company’s facilities as they existed prior to relocation. Prior to payment by Town, Company shall provide an itemization of such costs and expenditures subject to Town’s review and approval. Such itemization shall be submitted to Town within ninety (90) days of completion of the relocation.

2.5 If Town undertakes, either directly or through a contractor, any construction project adjacent to Company’s facilities operated pursuant to this Franchise, but which does not require relocation of Company’s facilities, Town shall notify Company of such construction project. Company will take steps as are reasonably necessary to maintain safe conditions throughout the construction project, including but not limited to the temporary barricading of Company’s pipelines or equipment, the location of which may create an unsafe condition in view of the equipment to be utilized or the methods of construction to be followed by the contractor, at Town’s cost.

2.6 Where Town’s facilities or other facilities occupying a Right-of-Way under authority of a Town permit or license are already located in the Right-of-Way and a conflict between Company’s potential facilities and the existing facilities can only be resolved expeditiously as determined by the Director of Public Works of Municipality by relocating the existing Town or Company’s facilities, Company shall bear the entire cost (including the cost of purchasing new easements or Right-of-Way, in necessary) of relocating the existing facilities, irrespective of the function they served.
Section 3. Permits.

3.1 Prior to commencing any work in a Right-of-Way (except in emergency circumstances), Company shall obtain any permit necessary for such work but in consideration of the payments made under Section 8 below, Company shall not be required to pay any permit fees to Town for any such work. In the event of an emergency, Company 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 Right-of-Way, at Town’s cost. Company, upon receipt from Town of any one-hundred percent (100%) detailed finalized plans that would require construction or relocation of Company facilities, shall advise Town on the estimated amount of work required and the anticipated necessary timeframe of such work within ninety (90) days of receipt of such plans. For purposes of budgeting and asset allocation by Company, Company shall have six (6) months from the receipt of such finalized plans in which to design and to commence construction or relocation of the necessary facilities.

3.2 Representatives of Town and Company shall, during the entire term of this Franchise, meet at least once in each calendar year to review any projects involving the construction or modification of Town Right-of-Way within the subsequent five-year period in order for both parties to adequately plan and budget for such actions and to determine the extent of work required of Company, if any, for such projects.

Section 4. Indemnification. Company shall indemnify and hold harmless Town, its officers, boards, commissions, employees, agents and independent contractors, against and from all claims, demands, causes of action, suits or proceedings regardless of the merits of the same, damages include damages to Town property, liability, costs and expenses of every type, arising from injury to any person or property caused by the acts or omissions of Company, its officers, agents, employees, servants and/or independent contractors, while exercising any of the rights, privileges, powers granted herein except where such damages or injury were caused by Town’s gross negligence or willful misconduct. More particularly, Company does hereby agree to indemnify and hold harmless Town from and all liability, claim, demand or judgment arising out of any injury to any person or property because of Company’s construction, repair, extension, maintenance or operation of its equipment or any other acts or omissions of Company in the Right-of-Way in connection with this Franchise. Town shall promptly notify Company of any claim or cause of action which may be asserted against Town relating to or covering any matter against which Company has agreed, as set forth above, to indemnify defend and hold harmless Town. Company reserves the right, but not the obligation, to employ such attorneys, expert witnesses, and consultants as it deems necessary to defend against the claim or cause of action. Company further reserves the right to take total or partial control of such defense. In the event that Town is in control, either totally or partially of such defense, Company shall pay all expenses incurred by Town in providing the defense.

Section 5. Insurance. Company agrees that at all times during the existence of this Franchise, it will maintain in force, at its own expense, a general liability insurance policy in a policy amount not less than Five Million Dollars ($5,000,000.00) to adequately insure and/or protect the legal liability of Company with respect to the installation, operation, and maintenance of its facilities, together with all the necessary and desirable appurtenances authorized by this Franchise, to occupy the public property or other premises of Town. Such insurance program will
provide protection for bodily injury and property damage arising from the operation by Company of its facilities. Company will provide Town documentation of such liability insurance program within fifteen (15) calendar days following the request of Town. The policy limits or any insurance maintained in compliance with this section shall not limit Company's indemnification requirements under Section 4 of this Franchise.

Section 6. Utility Rates and Charges. The rates and charges to be charged by Company for furnishing gas service hereunder and the rules and regulations to be made and enforced by Company for the conduct of its business shall be those from time to time on file and in effect with the Arizona Corporation Commission applicable to such service.

Section 7. Assignment. Company shall have the right and privilege of assigning this Franchise and all rights and privileges granted herein, with the prior written consent of Town, which consent shall not be unreasonably withheld so long as the assignee assumes the obligations of this Franchise. Whenever the word “Company” appears herein, it shall be construed as applying to its successors, lessees and assigns.

Section 8. Franchise Fees.

8.1 Company, its successors, lessees, and assigns for and in consideration of the grant of this Franchise shall pay to Town a sum equal to two percent (2%) of all revenues of Company, including regulatory assessments but excluding transaction privilege taxes and similar governmental impositions, from the retail sales and/or delivery by it and other charges for services attendant to the retail sale and/or delivery of natural gas delivered through Company’s distribution system within the present and any future corporate limits of Town, as shown by Company’s billing records. Except as otherwise provided in Section 8.2, said payments shall be in lieu of any and all fees, charges or exactions of any kind otherwise assessed by Town in any way associated with Company’s use of the rights-of-way, including, but not limited to, the construction of Company’s facilities hereunder or for permits or inspections thereof during the term of this Franchise. Beginning on the Effective Date of this Franchise as set forth herein, payment as described herein shall be payable in semi-annually on or before the last day of January and July in each such year while this Franchise shall remain in full force and effect.

8.2 Notwithstanding any provision contained herein to the contrary, Company shall pay, in addition to the payment provided herein, the following charges, taxes and fees as may be established in a code or ordinance properly adopted by Town: (a) general ad valorem property taxes; (b) transaction privilege and use tax as authorized by law and collected by Company for its retail sales to its customers within the present and any future corporate limits of Town; (c) pavement cut fees; and (d) 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.

8.3 If any lawful authority having jurisdiction in Town hereafter prohibits said payment, the obligation to make such payments hereinabove provided for shall forthwith cease.

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

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

Section 9. Severability. If any section, paragraph, subdivision, clause, phrase or provision hereof shall be adjudged invalid or unconstitutional, the same shall not affect the validity hereof as a whole, or any part or provision other than the part so decided to be invalid or unconstitutional.

Section 10. Term. This Franchise shall continue in full force and effect for a period of twenty-five (25) years from March 19, 2022 (the “Effective Date”); however, Town may terminate this Franchise in the event Town shall have formally found, after notice and hearing, Company has failed to comply with any material provisions of this Franchise or has failed to correct any failure after thirty (30) days’ written notice.

Section 11. Ownership. All plant, system, pipelines, works, and all other physical property installed or operated by Company in accordance with the terms of this Franchise shall be and remain the property of Company, and upon expiration of this Franchise or any extension or renewal thereof, Company is hereby granted the right to enter upon the public property or other public premises of said Town for the purpose of removing any and all such plant, system, pipeline, works and other property of Company, at any time within six (6) months after termination of this Franchise or any such extension or renewal thereof. All underground abandoned lines shall continue to remain the property of Company, unless Company specifically acknowledges otherwise to Town Manager and such is accepted by Town. Company shall remove, at Company’s sole cost, abandoned lines at the request of Town when the lines are in physical conflict with Town’s facilities, in the opinion of Town Engineer.

Section 12. Effective Date. Notwithstanding the formal Effective Date set forth in Section 10, the Franchise shall only become fully effective after its approval by a majority vote of the qualified electors of Town at the general election to be held on November 3, 2020, called by Town Council for that purpose. Company shall reimburse all of Town’s expenses incurred in conducting the Franchise election (including Town’s legal fees related to this Franchise; cost for publication of the proposed Franchise Agreement in the Prescott Courier per A.R.S. 9-502(C) and 39-203; and any expenses charged to Town for conducting the election through the County of Yavapai, pursuant to Section 14). If more than one item is on the same ballot, Company shall pay only that prorated portion of Town’s election expenses determined by dividing all of Town’s expenses for the election by the total number of measures presented on the ballot plus one if there is a general election for Town mayor and/or councilmembers.
Section 13. Default. Failure or unreasonable delay by any Party to perform any term or provision of this Franchise for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Franchise. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

Section 14. 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 below, 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:

To Town:
Town Manager
Town of Chino Valley
202 N. State Route 89
Chino Valley, Arizona 86323

To Company: Unisource Energy Services
UNS Gas, Inc.
Attn: District Manager
P.O. Box 80078
Prescott, AZ 86304

PASSED, ADOPTED AND APPROVED by the Mayor and Council of Town of Chino Valley, Arizona, on this ____ day of _______________, 2020.

APPROVED:

The Honorable Darryl Croft, Mayor
Town of Chino Valley, Arizona

ATTEST:

Ms. Jami Lewis, Clerk
APPROVED AS TO FORM:

Andrew McGuire  
Gust Rosenfeld PLC  
Town Attorneys

ACCEPTED WITHOUT CHANGE:

UNS Gas, Inc.  
By: Cynthia Garcia, Vice President  

Date
AGENDA ITEM TITLE:
Consideration and possible action to adopt Resolution No. 2020-1168, amending Resolution No. 2020-1156, Call of Election for Fall 2020, designating election date, purpose of election, deadline for voter registration, and location and deadline for candidates to file nomination papers.

RECOMMENDED ACTION:
Adopt Resolution No. 2020-1168, amending Resolution No. 2020-1156, which approved a Call of Election for Fall 2020.

SITUATION AND ANALYSIS:
The Town’s election is scheduled for Fall 2020, with the Primary Election on August 4, 2020, and the General Election on November 3, 2020. Council approved Resolution No. 2020-1156 calling the election on March 24, 2020. Proposed ballot items included:

- **August 4 Primary**: election of a mayor (2-year term) and three councilmembers (4-year term), and Alternative Expenditure Limitation (Home Rule Option) ballot measure.
- **November 3 General**: any runoffs for mayor or councilmember, and ballot measure related to utility franchise proposition for Chino Meadows II Water Company.

The Call of Election amendment includes:

- Structural changes recommended by Town Attorney Susan Goodwin.
- Addition of a utility franchise proposition for UNS Gas, Inc. (UniSource Energy Services) that was requested after the March 24 Call of Election resolution had been approved.

Fiscal Impact:

<table>
<thead>
<tr>
<th>Fiscal Impact?</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Yes, Budget Code</td>
<td>01-42-5285</td>
</tr>
</tbody>
</table>
Funding Source:
Funds to come from Town Clerk's election budget line. NOTE: Expenses associated with the franchise ballot measures will be reimbursed by the franchisees.

Attachments
RES 2020-1168 Amended Call of Election
RES 2020-1168 Enmienda Convocacion de una Eleccion
CALL OF ELECTION

RESOLUTION NO. 2020-1168

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, AMENDING RESOLUTION NO. 2020-1156, DESIGNATING THE ELECTION DATES AND PURPOSES OF ELECTIONS; DESIGNATING THE DEADLINE FOR VOTER REGISTRATION; AND DESIGNATING THE PLACE AND THE LAST DATE FOR CANDIDATES TO FILE NOMINATION PAPERS

BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, COUNTY OF YAVAPAI, ARIZONA, AS FollowS:

Section 1: Designation of Election DateS

That August 4, 2020, has been set as the time for holding the Primary Election AND NOVEMBER 3, 2020, HAS BEEN SET AS THE TIME FOR HOLDING THE GENERAL ELECTION in the Town of Chino Valley.

Section 2. PurposeS of PRIMARY AND GENERAL ElectionS

1. ELECTION OF MAYOR AND COUNCIL.

That a Primary Election will be held for the purpose of nominating candidates for Mayor and Councilmember whose names shall appear on the ballot at the General Election to be held November 3, 2020. Any candidates receiving a majority of all the votes cast at the Primary Election will be declared elected without running in the General Election.

2. Section 3. Propose the Approval of the ADOPT Home Rule Expenditure Limitation Option.

A proposal to adopt a local Alternative Expenditure Limitation (Home Rule Option) will be considered at the Town Primary Election on Tuesday, August 4, 2020.


A proposal to approve the Utility Franchise Agreement with Chino Meadows II Water Company will be considered at the Town General Election on Tuesday, November 3, 2020.

4. APPROVE THE UTILITY FRANCHISE AGREEMENT WITH UNS GAS, INC.

A PROPOSAL TO APPROVE THE UTILITY FRANCHISE AGREEMENT WITH UNS GAS, INC. WILL BE CONSIDERED AT THE TOWN GENERAL ELECTION ON TUESDAY, NOVEMBER 3, 2020.
Section 53. Designating Deadline for Voter Registration

Yavapai County registration and voting lists will be used for the municipal election. In order to be qualified to vote in the Primary Election, one must be registered by July 6, 2020. The last day to register for the General Election will be October 5, 2020.

Section 64. Designating Date and Place to File Candidate Nomination Papers

Candidates seeking municipal office may obtain nomination papers and other materials which must be filed by candidates at the Town Clerk’s Office, Town Hall, 202 N. State Route 89, beginning March 9, 2020. Candidates must file nomination papers and other nomination forms by 5:00 p.m. on April 6, 2020, in order for their names to appear on the Primary Election ballot.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 23rd day of June, 2020.

Darryl L. Croft, Mayor

ATTEST:

______________________________
Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

______________________________
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2020-1168 was duly passed by the Council of the Town of Chino Valley, Arizona, at a regular meeting held on June 23, 2020, and that quorum was present thereat and that the vote thereon was _____ ayes and _____ nays and _____ abstentions. _____ Council members were absent or excused.

______________________________
Jami C. Lewis, Town Clerk
CONVOCACIÓN DE UNA ELECCIÓN

RESOLUCIÓN NÚM. 2020-1168

UNA RESOLUCIÓN DEL ALCALDE Y DEL CONCEJO COMÚN DEL PUEBLO DE CHINO VALLEY, CONDADO YAVAPAI, ARIZONA, QUE ENMIENDE LA RESOLUCIÓN NO. 2020-1156, DESIGNANDO LAS FECHAS DE LAS ELECCIONES Y LOS PROPÓSITOS DE LAS ELECCIONES; DESIGNA LA ÚLTIMA FECHA PARA REGISTRARSE PARA VOTAR; Y DESIGNANDO EL LUGAR Y LA ÚLTIMA FECHA EN QUE LOS CANDIDATOS PUEDEN PRESENTAR SUS FORMULARIOS DE NOMBRA MIENTO

RESUELVE EL ALCALDE Y EL CONCEJO COMÚN DEL PUEBLO DE CHINO VALLEY, CONDADO DE YAVAPAI, ARIZONA, COMO LO QUE SIGUE:

Sección 1: Designación de las Fechas de la Elección LAS ELECCIONES

Se ha fijado el día 4 de agosto de 2020 como la fecha para celebrar la Elección Primaria Y EL 3 DE NOVIEMBRE DE 2020 COMO LA FECHA PARA LA ELECCIÓN GENERAL en el Pueblo de Chino Valley.

Sección 2: PropósitoS de la Elección LAS ELECCIONES, PRIMARIA Y GENERAL

1. ELECCIÓN DE ALCALDE Y CONCEJO

La Elección Primaria se celebrará con el propósito de nombrar a candidatos para el cargo de Alcalde y para Miembros del Concejocuyos nombres aparecerán en la boleta de la Elección General que se celebrará el 3 de noviembre de 2020. Cualquier de los candidatos que reciban una mayoría de todos los votos emitidos en la Elección Primaria serán declarados elegidos sin tener que participar en la Elección General.

2. Sección 3. Propone la Aprobación de la Limitación de Gastos - Opción de Autonomía

Una propuesta para adoptar una limitación de gastos alternativa local - opción de autonomía - que se considerará en la elección primaria del Pueblo en martes, día 4 de agosto de 2020.

3. Sección 4. Propone APROBACIÓN DE un acuerdo de franquicia con la empresa de servicio público de agua, Chino Meadows II Water Company

Una propuesta para aprobar el acuerdo de franquicia con la empresa de servicio público de agua, Chino Meadows II Water Company, será considerada en la elección general del Pueblo, el martes, 3 de noviembre de 2020.

4. APROBACIÓN DEL ACUERDO DE FRANQUICIA CON LA EMPRESA DE SERVICIO PÚBLICO DE GAS, UNS GAS, INC.
UNA PROPUESTA PARA APROBAR EL ACUERDO DE FRANQUICIA CON LA EMPRESA DE SERVICIO PÚBLICO DE GAS, UNS GAS, INC. SERÁ CONSIDERADA EN LA ELECCIÓN GENERAL DEL PUEBLO, EL MARTES, 3 DE NOVIEMBRE DE 2020.

Sección 53. Designación de la Última Fecha para inscribirse para Votar

El registro y las listas de votantes del Condado Yavapai se usarán para la elección municipal. Para estar capacitado para votar en la Elección Primaria, uno tiene que estar inscrito para votar para el día 6 de julio de 2020. La última fecha para inscribirse para votar para la Elección General será el 5 de octubre de 2020.

Sección 64. Designa la fecha y el lugar en donde entablar los formularios de nombramiento de candidatura

Los candidatos que procuran un cargo municipal pueden obtener los formularios de nombramiento y otros materiales que se tienen que entablar por los candidatos de la Oficina del Secretaria del Pueblo de Chino Valley, Ayuntamiento, 202 N. State Route 89, comenzando el día 9 de marzo de 2020. Los candidatos tienen que entablar los formularios de nombramiento y otros materiales de nombramiento para las 5:00 de la tarde el día 6 de abril de 2020 para que sus nombres aparezcan en la boleta de la Elección Primaria.

APROBADA Y ADOPTADA por el Alcalde y el Concejo Común del Pueblo de Chino Valley, Arizona este día 23 de junio de 2020.

Darryl L. Croft, Alcalde

CERTIFICA:

______________________________  
Jami C. Lewis, Secretaria del Pueblo

APROBADA EN FORMA:

______________________________  
Andrew J. McGuire, Abogado del Pueblo
Gust Rosenfeld, PLC

Por la presente certifico que la anterior Resolución No. 2020-1168 de arriba fue debidamente aprobada por el Concejo del Pueblo de Chino Valley, Arizona, en una reunión regular que se celebró el 23 de junio de 2020, y que estaba presente un quórum por eso y que el voto por esa fue _____ a favor y _____ en contra y _____ abstenciones. _____ Miembros del concejo estaban presentes o dispensados.

______________________________  
Jami C. Lewis, Secretaria del Pueblo
AGENDA ITEM TITLE:
Consideration and possible action to acknowledge scrivener's correction on Council minutes dated May 12, 2020 pursuant to Town Code § 10.20 Authority to Correct Scrivener's Errors. (Jami Lewis, Town Clerk)

SITUATION & ANALYSIS:
Town Code § 10.20 grants authority to the Town Attorney and Town Clerk to correct scrivener's errors in the Town Code, Unified Development Ordinance, and ordinances, resolutions, and minutes adopted by Council or other public body without the need for re-adoption. Paragraph (C) provides that any such corrections shall be reported within three months of such correction at a regular meeting of the Council.

There is one scrivener's correction to report: Council minutes dated May 12, 2020, page #7.

Attachments
May 12, 2020 minutes, pgs 6-7
MOVED by Councilmember Annie Perkins, seconded by Councilmember Mike Best to recommend approval for a new Series 12 Liquor License for The Hitchin Post BBQ.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

e) Presentation and discussion regarding the Preliminary Budget for the Fiscal Year Ending June 30, 2021. (Joe Duffy, Finance Director)

Finance Director Duffy presented the Preliminary Budget. Key points were:

● **Overview:** The budget packet included a full expenditure summary that compared fiscal years 2019/2020 and 2020/2021. The total General Fund budget was down 12% but that did not include the $2 million transfer, which brought the total budget up. Some positions had been moved around, but no new full-time positions were added. Capital projects had been reduced by each department and other items put on hold.

● **Overall:** The previous year’s budget was $27,976,000. This year’s $24,407,900 reduced budget did not include a $2 million transfer to the capital improvement fund.

● **Fund Balance:** Last year’s fund balance was about $350,000 better than projected. Due to the recent halt on spending, cash spent had been reduced significantly, and the current fiscal year would end better than expected.

● **HURF:** He recommended transferring $500,000 to the HURF fund. Not knowing the reduction to the HURF revenues, he projected $1 million for road construction. As most road work would not begin until the spring of 2021, the Town would know then how much funding would be available.

● **Capital Improvement Fund:** He removed the $2 million transfer in from the general fund for next FY. Of the $2 million transferred in to FY 19/20, half million had been spent and half million was allocated, leaving a $457,000 balance.

● **Enterprise Funds:** The water fund was still in the black. The Sewer fund projected a planned loss of $297,000, which was due to capital improvements and next year he projected a $475,700 loss for sewer extensions that may or may not happen. Current capital projects would be funded partially from WIFA reserve funds, and the rest from available Town funds.

● **Budget Steps:** He reviewed the meeting schedule to review and pass the budget.

Council and Mr. Duffy discussed the following:

● **Projected revenues:** Several projects in the budget were on hold, rather than eliminated. If revenues came in higher than projected, the Town would have the capacity to complete those projects.

● **Previous discussion about reducing overall budget to fund $1.6 million road maintenance plan:** There was not a lot of discretionary money in the general fund. 69% was payroll; $500,000 capital; and the rest was service and supplies. If they cut payroll, that will reduce services. He recommended using the excess $500,000 fund balance for roads. If more came in, they could look at adding more. Without the pandemic, he might have had more.

● **Personnel:** Staff was freezing hiring for open positions and deferring merit increases until January 1, 2021, and holding back on everything we can.

● **COVID-19 and revenues:** Staff thought the local revenues—grocery store and chain
restaurants—would not have suffered too much, but local restaurants and construction industry might have. His biggest concern was State Share Revenues and HURF funds due to business, tourism, and travel shutdowns. HURF had a 14% decrease this month.

- Low interest loan for Police Department building: The Town could still apply for this.

AYE: Mayor Darryl Croft, Vice Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

8) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 7:01 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller (remotely), Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

ATTEST:

Darryl L. Croft, Mayor

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 12th day of May, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 26th day of May, 2020.

Jami C. Lewis, Town Clerk
Town Council Regular Meeting

Meeting Date: 06/23/2020

Contact Person: Jami Lewis, Town Clerk
    Phone: 928-636-2646 x-1208

Department: Town Clerk

Item Type:

AGENDA ITEM TITLE:
Consideration and possible action to approve the June 9, 2020, regular meeting minutes. (Jami Lewis, Town Clerk)

RECOMMENDED ACTION:
Approve the June 9, 2020, regular meeting minutes.

Attachments

June 9, 2020, draft minutes
The Town Council of the Town of Chino Valley met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, June 9, 2020.

Present: Mayor Darryl Croft; Vice-Mayor Jack Miller; Councilmember Mike Best; Councilmember Cloyce Kelly; Councilmember Corey Mendoza; Councilmember Lon Turner

Absent: Councilmember Annie Perkins

Staff Present: Town Manager Cecilia Grittman; Town Attorney Andrew McGuire (remotely); Human Resources Director Laura Kyriakakis; Public Works Director/Town Engineer Frank Marbury; IT Manager Spencer Guest (videographer); Officer Todd Hyslip (Sergent-at-Arms); Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Croft called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

Darelyn Rock, resident, spoke about her family doing due diligence with regard to buying property in Town to split and build a home, only for the split to be denied by the Town after her family spent tens of thousands of dollars. She encouraged the Town Council to approve an amendment to Section 154 of the Unified Development Ordinance, which would provide the only way they could build their home and also continue to support property owners’ personal rights.

Allen Foster, resident, spoke about concerns with the change in interpretation regarding lot splits, as he believed the Town’s interpretation conflicted with other municipalities within the State, changed suddenly without notification to the public, and took away some citizens’ personal property rights. He did not believe the Council had been given accurate information about the matter, and he hoped the Council would meet with him.
Ryan Roberts, resident and local surveyor in Town, also spoke about the lot split issues, the public being treated rudely by staff, some lot splits being allowed while others were not, and the inference that certain lot splits were being denied due to his involvement as surveyor. He also objected to his letter not being read during the previous meeting’s Call to the Public.

4) RESPONSE TO THE PUBLIC

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

5) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

a) Status reports by Mayor and Council regarding current events.

Councilmember Best reported on the 50th Anniversary Committee’s meetings and collecting items for the time capsule.

Councilmember Mendoza reported that the Roads and Streets Committee would start meeting again in July.

Mayor Croft recognized the Senior Center for hosting a veterans meeting and spoke about future meetings.

b) Status report by Town Manager Cecilia Grittman regarding Town accomplishments, and current or upcoming projects.

Cecilia Grittman reported on:
- Write-in candidates for Mayor and Council having until June 25 to file.
- Proposition 450 details on the Town’s website.
- A virtual councilmember candidates’ forum on June 29, sponsored by the Chamber of Commerce and the League of Women Voters.
- An outpouring of citizen support for the local Police Department during the nation’s difficult time and the department continuing with a positive attitude.
- The library’s positive social media interaction with the community during the pandemic.
- The Aquatic Center being scheduled to open by the end of the week with a capacity of 225 people, and drinks and snacks to be provided through vending machines.

6) CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.
MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Mike Best to approve Consent Agenda items 6 (a) and (b).

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon Turner

6 - 0 PASSED - Unanimously

a) Consideration and possible action to adopt Resolution No. 2020-1171 approving the designation of applicant's agent form submission to the Arizona Department of Emergency and Military Affairs which designate the Town's Finance Director as the Town's Agent for applying for certain public assistance; and authorizing the Mayor and Finance Director to execute and deliver said application on behalf of the Town of Chino Valley. (Joe Duffy, Finance Director)

b) Consideration and possible action to approve the May 26, 2020, regular meeting minutes. (Jami Lewis, Town Clerk)

7) ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

a) Consideration and possible action to adopt Resolution No. 2020-1167, approving an Intergovernmental Agreement (IGA) with the State of Arizona (State) authorizing the contribution of $125,000 toward the construction costs for improvements along Road 1 North in conjunction with the construction of a new traffic signal and road widening. (Frank Marbury, Public Works Director/Town Engineer)

Recommended Action: Adopt Resolution No. 2020-1167, approving an IGA with the State authorizing the contribution of $125,000 toward the construction costs for improvements along Road 1 North in conjunction with the construction of a new traffic signal and road widening.

Mayor Croft reported that CYMPO (Central Yavapai Metropolitan Planning Organization) was considering contributing $62,500 to this project.

Mr. Marbury presented the following:

• This item pertained to a continuing partnership with ADOT on the signal project at Road 1 North and Highway 89. This was an ADOT led project, which total cost was projected at approximately $1.3 million.
• Previously, the Town had contributed $75,000 for design and the County contributed approximately $100,000. This additional cost would be for the Road 1 North portion of project improvements, which would tie in Road 1 North with the signal and the added lanes.
• Staff recommended approving the additional funds instead of reducing the scope of the project and modifying the motion to also authorize and direct the Town Manager to seek a contribution of $62,500 from funds available to CYMPO. If approved, staff will seek a recommendation from the CYMPO advisory committee to request the executive board for
Alvin Stump, ADOT District Engineer, spoke about the project's history and reported that:

- The signal project was on the expensive side because there was so much roadwork tied to the project. The original price had been close to $2 million, which they had managed to reduce. Construction prices in the last year increasing by 30% brought the price to about $1.3 million.
- When a project was advertised, they had to have the funding to cover the engineers estimate. Taking out additional scopes of the project had been discussed, but if possible, it was better to keep current design.
- They were still looking at reducing some additional costs on the highway paving. Although there were some areas for possible savings, they were still working on finalizing the design, and were aiming to advertise the project in August 2020.

Mr. Stump, Staff and Council further discussed the following:

- The IGA had a clause for a 50/50 split for any additional funds, which costs were unknown until the contractor bids were received. This was typical of these types of contracts.
- If the bids came in over the engineer's estimate, ADOT would come back to the Town for additional funding or another option could be to not move forward or award the project. The scope could be reduced at that time and then re-advertised.
- The price estimate was from the firm that did the design work and the contracts and specs department checked the estimated cost as well. Reducing the mainline paving could reduce the cost of the project by approximately $100,000.

Public Comment:

Craig Brown, Yavapai County Supervisor suggested that the IGA language provide ‘up to $125,000’, so that the Town was paying only half the difference of whatever the number might be. CYMPO had been dealing with the project for almost five years, and he thought there was a very good chance that they would go along with that extra expenditure. He would not be surprised if the bids came in under the estimated amount or right on the amount.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Mike Best to adopt Resolution No. 2020-1167, approving an IGA with the State authorizing the contribution of $125,000 toward the construction costs for improvements along Road 1 North in conjunction with the construction of a new traffic signal and road widening, and authorize and direct the Town Manager to seek a contribution of $62,500 of the $126,000 from funds available to CYMPO.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon Turner

6 - 0 PASSED - Unanimously
b) Consideration and possible action to approve the Professional Services Agreement with Peckham and McKenney to act as the Town's executive search firm and to assist in the full recruitment process for the next Town Manager in an amount not to exceed $25,000. (Laura Kyriakakis, Human Resources Director)

Recommended Action: Approve the Professional Services Agreement with Peckham and McKenney to act as the Town's executive search firm, to assist in the full recruitment process for the next Town Manager in an amount not to exceed $25,000.

Laura Kyriakakis presented the following:
- The Town Manager had provided Council with a notice of retirement, which was to take place in the first quarter of calendar year 2021.
- A recruitment subcommittee would oversee the process of hiring a new Town Manager. The subcommittee had interviewed the top three search firms and were recommending Peckham and McKenny as the executive search firm to assist with the Town Manager selection process.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Cloyce Kelly to approve the Professional Services Agreement with Peckham and McKenney to act as the Town's executive search firm, to assist in the full recruitment process for the next Town Manager in an amount not to exceed $25,000.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon Turner

6 - 0 PASSED - Unanimously

c) Consideration and possible action to approve the Fifth Amendment to the Accountability Contract and Scope of Services with Chino Valley Area Chamber of Commerce for Fiscal Year 2020/2021 in the amount of $60,000 for general support. (Cecilia Grittman, Town Manager)

Recommended Action: Approve the Fifth Amendment to Accountability Contract and Scope of Services with the Chino Valley Area Chamber of Commerce for Fiscal Year 2020/2021 in the amount of $60,000 for general support.

Town Manager Grittman introduced several Chamber of Commerce executives in the room and related that the funding request of $60,000 was the same as the current fiscal year. There was no change in the scope of services, but the Town’s Economic Development Department was a larger part of the contract outreach.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Cloyce Kelly to approve the Fifth Amendment to Accountability Contract and Scope of Services with the Chino Valley Area Chamber of Commerce for Fiscal Year 2020/2021 in the amount of $60,000 for general support.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon Turner

6 - 0 PASSED - Unanimously
8) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Cloyce Kelly to adjourn the meeting at 6:35 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon Turner

6 - 0 PASSED - Unanimously

__________________________________
Darryl L. Croft, Mayor

ATTEST:

__________________________________
Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the _______ day of ________________, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _______ day of ________________, 2020.

__________________________________
Jami C. Lewis, Town Clerk
AGENDA ITEM TITLE:
Consideration and possible action to approve a construction contract with Asphalt Paving & Supply, Inc. for the Chino Valley Unified School District Improvement Project in the amount of $266,126.66 contingent upon approval by the Chino Valley Unified School District Facilities Board.

RECOMMENDED ACTION:
Approve a construction contract with Asphalt Paving & Supply, Inc. for the Chino Valley Unified School District Improvement Project in the amount of $266,126.66 contingent upon approval by the Chino Valley Unified School District Facilities Board.

SITUATION AND ANALYSIS:
The Town entered into an Intergovernmental Agreement (IGA) with Chino Valley Unified School District (CVUSD) on January 8, 2019 for the construction of a new on-site bus lane at Del Rio Elementary School with associated sidewalks, accessibility ramps, curbs, asphalt paving, fencing, etc. where the Town would contract, administer and pay for the project and CVUSD will reimburse the Town for direct project costs, not to exceed $100,000 each year for fiscal years 2018-2019, 2019-2020 and 2020-2021.

The Town hired Lyon Engineering for the development of the Project's improvement plans, specifications and estimates and the Town advertised the Project for construction bids on May 12, 2020. On June 1, 2020, two bids were received as follows:

Asphalt Paving & Supply, Inc.  $266,126.66
Prescott Valley, AZ

Paul R. Peterson Construction, Inc.  $442,436.58
Phoenix, AZ 85013

Project approval by the CVUSD Facilities Board is expected on June 24, 2020.
Appendix 7a-1. The complete Contract with Asphalt Paving & Supply, Inc. may be viewed online at [www.chinoaz.net/agendacenter](http://www.chinoaz.net/agendacenter) with the June 23, 2020 council meeting documents.

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**Fiscal Impact**

**Fiscal Impact?:** No  
**If Yes, Budget Code:** 07-70-5428  
**Available:**  
**Funding Source:**  
The project will be paid by the Chino Valley Unified School District Adjacent Way Grant with no Town match.  
The project will be accounted for in the Towns Grant Fund.

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**Attachments**

Bid Tab
# PRICE SHEET

CHINO VALLEY UNIFIED SCHOOLD DISTRICT IMPROVEMENT PROJECT

**NOTE:** All pricing blanks must be filled in. Incomplete or unfilled spaces in the Bid Price Sheet shall result in a determination that a Bid is non-responsive.

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<tr>
<td>300.1.1</td>
<td>Sawcut Pavement</td>
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<td>301.8.1</td>
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<td>SY</td>
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<td>Reclaimed Asphalt Pavement Millings (2.5&quot;)</td>
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<td>310.5.1</td>
<td>Aggregate Base Course (4&quot; &amp; 6&quot;)</td>
<td>331</td>
<td>CY</td>
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<td>321.13.1</td>
<td>Asphalt Concrete, Type C 3/4, 3&quot; Thick, w/Thickened Pavement Edge</td>
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<td>SY</td>
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<td>340.6.3</td>
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<td>340.6.4</td>
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<td>1</td>
<td>EA</td>
<td>$580.00</td>
<td>$580.00</td>
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Continued from previous page

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<tr>
<th>Item No.</th>
<th>Description of Materials and/or Services</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total Price</th>
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<td>Adjust Stormdrain Manhole Frame and Add Cover</td>
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<td>493</td>
<td>LF</td>
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<td>610.10.1</td>
<td>Fire Hydrant Relocation</td>
<td>1</td>
<td>LS</td>
<td>$6,000.00</td>
<td>$6,000.00</td>
</tr>
</tbody>
</table>

**TOTAL CONSTRUCTION COST** $266,126.66

* ALL BIDS ARE PRESUMED TO INCLUDE ALL APPLICABLE TAXES. PLEASE BE ADVISED THAT ARIZ. REV. STAT. § 42-5075(P) APPLIES TO THE PROJECT CONTEMPLATED WITHIN THIS CONTRACT. CONTRACTOR IS RESPONSIBLE FOR ENSURING THAT ALL WORK CONTEMPLATED BY THE PLANS FOR THE PROJECT IS BID ON THE PRICE SHEET.

Company Name: **Asphalt Paving & Supply, Inc.**  
Date: 6/1/2020
AGENDA ITEM TITLE:
Consideration and possible action to adopt Ordinance 2020-881 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, by amending the following Sections: Section 3.6 (AR-5 Agricultural/Residential), Section 3.7 (AR-4 Agricultural Residential), Section 3.8 (SR-2.5 Single Family Residential), 3.9 (SR-2 Single Family Residential), 3.10 (SR-1.6 Single Family Residential and 3.11 (SR-1 Single Family Residential) by modifying the guesthouse requirements and removing Section 3.5 (AR-36 Agricultural/Residential) in its entirety.

RECOMMENDED ACTION:
Adopt Ordinance 2020-881 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, certain sections related to guesthouse requirements.

SITUATION AND ANALYSIS:
See attached documentation

Other Pertinent Documents Available Upon Request:
See attached documentation

Fiscal Impact
Fiscal Impact?: None
If Yes, Budget Code: Available:
Funding Source:

Attachments
Staff Report - TC
ORD - 2020-881
### APPLICATION SUMMARY

<table>
<thead>
<tr>
<th>File Number:</th>
<th>ZC20-00001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant:</td>
<td>Town of Chino Valley</td>
</tr>
<tr>
<td>Request:</td>
<td>Consideration and possible action to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, by amending the following Sections: Section 3.5 (AR-36 Agricultural/Residential), Section 3.6 (AR-5 Agricultural/Residential), Section 3.7 (AR-4 Agricultural Residential), Section 3.8 (SR-2.5 Single Family Residential), 3.9 (SR-2 Single Family Residential), 3.10 (SR-1.6 Single Family Residential) and 3.11 (SR-1 Single Family Residential) by modifying the guesthouse requirements and removing Section 3.5 (AR-36 Agricultural/Residential) in its entirety.</td>
</tr>
</tbody>
</table>

### BACKGROUND

#### DISCUSSION

On November 9, 2006, Town Council adopted the current version of the UDO (Unified Development Ordinance) through Ordinance 06-678. Since its adoption, there has been multiple amendments made to the zoning districts and their respective uses, however none of these amendments have addressed the guesthouse regulations. Over the years, staff have received complaints directed at the guesthouse regulations citing that they do not allow for an adequate size. The Town Council has heard these complaints and have directed staff to propose a revision to this regulation.

The second part of this text amendment is the removal of the AR-36 (Agricultural-Residential 36-acre minimum) zoning district. There are no longer any properties within the Town limits that carry this zoning classification. Town staff does not anticipate receiving a zone change requesting to down zone a piece of property to this zoning district as the AR-5 (Agricultural-Residential 5-acre minimum) has then same entitlements as the AR-36 zoning.

#### SURROUNDING COMMUNITY COMPARISON – GUESTHOUSE

Staff has conducted research and gathered code requirements from the surrounding communities within Yavapai County to compare the Towns current and proposed guesthouse regulations. The list below outlines how guesthouses are regulated in these communities:

**Town of Clarkdale:** No size limitations on guesthouse size. Guesthouses are regulated through setbacks and lot coverage limitations.
City of Prescott: Guest Quarters & accessory buildings are allowed a maximum of 600 square feet or 50% of the total gross floor area of the primary residence, whichever is greater.

Town of Camp Verde: Flat size limitation of 1000 livable square feet across all zoning districts.

Yavapai County, Town of Prescott Valley & City of Cottonwood: Maximum square footage of 750 square feet or 25% of the total livable building area of the primary residence, whichever is bigger.

Dewey Humboldt - Maximum square footage of 750 square feet or 25% of the total livable building area of the primary residence whichever is bigger. The 25% only applies when then primary residence is over 3000 square feet.

GUESTHOUSE DEFINITION

Section 2.1 of the Town’s Unified Development Ordinance defines a guesthouse as the following:

Guesthouse: Living or sleeping quarters for the sole use of occupants of the premises, guest of such occupants or persons employed on the premises. Such quarters shall not be rented and/or otherwise listed for income purposes.

Town staff is not proposing any modifications to this definition. Any person in violation are subject to civil citation or misdemeanor charges through the code enforcement process.

CITIZENS OUTREACH

Staff notified all residents within Chino Valley through public posting in the Daily Courier paper. The draft text amendment has been available both electronically and physically since late March 2020 and will be available until the end of June 2020. Staff has encouraged the citizens to send comments to the Development Service Department. To date, staff has not received any comments or emails from residents.

PLANNING AND ZONING COMMISSION

The Planning and Zoning commission meeting was held on June 2, 2020 at Town Hall. Staff presented the proposed text amendment along with the limitations of the current regulations. Staff noted that the proposed size restrictions of the guesthouses were recommendations and could be adjusted by the Commission.

The Commissioners discussed concerns they had about what could be used as a guesthouse as well as renting a guesthouse. Staff explained that RVs, camp trailers and park models/trails cannot be considered guesthouses. Staff continued with explaining that existing Town code already prohibits the rental of a guesthouse.

VOTE: 7-0 PASSED
Staff and the Planning and Zoning Commission forward a recommendation of approval to Town Council to adopt Ordinance 2020-881 to amend the Town of Chino Valley Unified Development Ordinance, Chapter 154, by amending the following Sections: Section 3.6 (AR-5 Agricultural/Residential), Section 3.7 (AR-4 Agricultural Residential), Section 3.8 (SR-2.5 Single Family Residential), 3.9 (SR-2 Single Family Residential), 3.10 (SR-1.6 Single Family Residential) and 3.11 (SR-1 Single Family Residential) by modifying the guesthouse requirements and removing Section 3.5 (AR-36 Agricultural/Residential) in its entirety.
ORDINANCE NO. 2020-881


WHEREAS, the Mayor and Common Council of the Town of Chino Valley (the “Town Council”) desires to amend the Chino Valley Town Code, Title XV, Land Usage, Chapter 154, Unified Development Ordinance of the Town of Chino Valley (the “UDO”), by deleting Section 3.5 (AR-36 – Agricultural/Residential) thereof in its entirety and reserving the section for future use; and

WHEREAS, the Town Council desires to amend the UDO by modifying the provisions relating to guesthouses in the AR-5 and AR-4 Agricultural/Residential Districts and the SR-2.5, SR-2, SR-1.6 and SR-1 Single Family Residential Districts (the “Text Amendment”); and

WHEREAS, the Town Council has determined that the Text Amendment conforms with the Town of Chino Valley General Plan and any applicable specific area plan, neighborhood plan, or other plan; and

WHEREAS, all required public notice was provided and all required public meetings and hearings were held in accordance with applicable state and local laws; and

WHEREAS, the Planning and Zoning Commission recommended approval of the Text Amendment; and

WHEREAS, the Town Council has considered the individual property rights and personal liberties of the residents of the Town before adopting this Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Chino Valley, Arizona, as follows:

Section 1. The recitals above are incorporated as if fully set forth herein.

Section 2. The UDO, Section 3.6 (AR-5 Agricultural/Residential), Subsection B (Permitted Uses), Paragraph 2, is hereby amended as follows:

2. One (1) guesthouse, WITH A LIVABLE SQUARE FOOTAGE THAT DOES not exceed one thousand two hundred (1,200) square feet OR SEVENTY-FIVE (75) PERCENT OF THE TOTAL SQUARE FOOTAGE UNDER ROOF OF THE PRIMARY RESIDENCE, WHICHEVER IS GREATER, in addition to the principal residence.
Section 3. The UDO, Section 3.7 (AR-4 Agricultural/Residential), Subsection B (Permitted Uses), Paragraph 2, is hereby amended as follows:

2. One (1) guesthouse, WITH A LIVABLE SQUARE FOOTAGE THAT DOES not exceed one thousand two hundred (1,200) square feet OR SEVENTY-FIVE (75) PERCENT OF THE TOTAL SQUARE FOOTAGE UNDER ROOF OF THE PRIMARY RESIDENCE, WHICHEVER IS GREATER, in addition to the principal residence.

Section 4. The UDO, Section 3.8 (SR-2.5 Single Family Residential), Subsection B (Permitted Uses), Paragraph 2, is hereby amended as follows:

2. One (1) guesthouse, WITH A LIVABLE SQUARE FOOTAGE THAT DOES not exceed one thousand two hundred (1,200) square feet OR FIFTY (50) PERCENT OF THE TOTAL SQUARE FOOTAGE UNDER ROOF OF THE PRIMARY RESIDENCE, WHICHEVER IS GREATER, in addition to the principal residence.

Section 5. The UDO, Section 3.9 (SR-2 Single Family Residential), Subsection B (Permitted Uses), Paragraph 2, is hereby amended as follows:

2. One (1) guesthouse, WITH A LIVABLE SQUARE FOOTAGE THAT DOES not exceed one thousand two hundred (1,200) square feet OR FIFTY (50) PERCENT OF THE TOTAL SQUARE FOOTAGE UNDER ROOF OF THE PRIMARY RESIDENCE, WHICHEVER IS GREATER, in addition to the principal residence.

Section 6. The UDO, Section 3.10 (SR-1.6 Single Family Residential), Subsection B (Permitted Uses), Paragraph 2, is hereby amended as follows:

2. One (1) guesthouse, WITH A LIVABLE SQUARE FOOTAGE THAT DOES not exceed one thousand two hundred (1,200) square feet OR FIFTY (50) PERCENT OF THE TOTAL SQUARE FOOTAGE UNDER ROOF OF THE PRIMARY RESIDENCE, WHICHEVER IS GREATER, in addition to the principal residence.

Section 7. The UDO, Section 3.11 (SR-1 Single Family Residential), Subsection B (Permitted Uses), Paragraph 2, is hereby amended as follows:

2. One (1) guesthouse, WITH A LIVABLE SQUARE FOOTAGE THAT DOES not exceed one thousand two hundred (1,200) square feet OR FIFTY (50) PERCENT OF THE TOTAL SQUARE FOOTAGE UNDER ROOF OF THE PRIMARY RESIDENCE, WHICHEVER IS GREATER, in addition to the principal residence.

Section 8. All ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Section 9. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.
Section 10. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 23rd day of June, 2020.

ATTEST:

____________________________
Darryl L. Croft, Mayor

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

____________________________
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Ordinance No. 2020-881 was duly passed by the Council of the Town of Chino Valley, Arizona, at a meeting held on June 23, 2020, and that quorum was present, and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

____________________________
Jami C. Lewis, Town Clerk
Town Council Regular Meeting

Meeting Date: 06/23/2020
Contact Person: Joe Duffy, Finance Director
Phone: 928-636-2646 x-1211

Department: Finance
Item Type: Action
Estimated length of staff presentation: None
Physical location of item: N/A

**AGENDA ITEM TITLE:**
Public Hearing regarding Resolution No. 2020-1161, relating to the Town's Final Budget for Fiscal Year 2020/2021 and the proposed expenditure limitation for the same year, in the amount of $24,407,900. (Joe Duffy, Finance Director)

**RECOMMENDED ACTION:**
Hold the Public Hearing.

**SITUATION AND ANALYSIS:**
On May 26, 2020 the Mayor and Council adopted Resolution No. 2020-1159 adopting the Tentative Budget for the Fiscal Year 2020/2021, and setting the Expenditure Limitation at $24,407,900. The Tentative Budget was posted on the Town's website.

The State Budget Forms were published two times in the Chino Valley Review.

Staff recommends approving Resolution No. 2020-1161 and adopting the Final Budget for Fiscal Year 2020/2021.

<table>
<thead>
<tr>
<th>Fiscal Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachments</td>
</tr>
</tbody>
</table>

RES 2020-1161 Final Budget
RESOLUTION NO. 2020-1161

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR 2020/2021; SETTING AN EXPENDITURE LIMITATION TO GOVERN THE TOWN OF CHINO VALLEY BUDGET FOR FISCAL YEAR 2020/2021; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE FROM AND AFTER ITS PASSAGE AND APPROVAL ACCORDING TO THE LAW.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, the Mayor and Common Council of the Town of Chino Valley (the “Town Council”) is required to adopt an annual budget for the Town of Chino Valley (the “Town”); and

WHEREAS, pursuant to Article 9, Section 20(9) of the Arizona Constitution, and Arizona Revised Statutes (“A.R.S.”) §§ 41-563.03(C), (E) and (G), the qualified voters of the Town of Chino Valley, on August 30, 2016, approved Proposition 436, adopting an Alternative Expenditure Limitation for the Town; and

WHEREAS, Proposition 436 provided that, as part of the budget process and after a public hearing, the Town Council shall annually adopt an expenditure limitation to govern the budget; and

WHEREAS, in accordance with A.R.S. § 42-17102, the Town Manager prepared and filed with the Town Council the Town Manager’s Budget estimates for the fiscal year beginning July 1, 2020, and ending June 30, 2021; and

WHEREAS, on May 26, 2020, the Town Council approved Resolution 2020-1159, adopting (i) an expenditure limitation and (ii) the estimates of expenditures for the fiscal year beginning July 1, 2020, and ending June 30, 2021, as the tentative budget for the Town; and

WHEREAS, Resolution 2020-1159 also directed the Town Clerk to: (i) publish in the official Town newspaper once per week for two consecutive weeks, (a) the official tentative budget and (b) a notice of the public hearing of the Town Council to hear taxpayers and make tax levies at designated times and places; and (ii) not later than seven business days following consideration of Resolution 2020-1159 by the Town Council, (a) make available at the Chino Valley Public Library and the Chino Valley Town Hall a complete copy of the tentative budget, and (b) post the tentative budget on the Town’s website; and

WHEREAS, due notice has been given by the Town Clerk as required by law that the Town Council would meet on June 23, 2020, at the Town Council Chambers for the purposes of (i) hearing taxpayers on the proposed expenditures and proposed tax levies as set forth in said estimates and (ii) adopting the tentative budget as final; and

WHEREAS, on June 23, 2020, the Town Council held a public hearing on the final budget and proposed tax levy as required by law; and

WHEREAS, the expenditures/expenses in the proposed final budget for Fiscal Year 2020/2021 do not exceed the expenditures/expenses shown on the published tentative budget.
NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, County of Yavapai, Arizona, as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The expenditure limitation to govern the Town of Chino Valley budget for Fiscal Year 2020/2021 is hereby approved in an amount not to exceed $24,407,900.

SECTION 3. The estimates of revenues and expenditures shown in the schedules attached hereto as Exhibit A and incorporated herein by reference, are hereby formally adopted as the official final budget for the Town for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

SECTION 4. This Resolution shall be effective from and after its passage and approval according to law.

SECTION 5. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 23rd day of June, 2020.

Darryl L. Croft, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2020-1161 was duly passed by the Council of the Town of Chino Valley, Arizona, at a special meeting held on June 23, 2020, and that quorum was present thereat and that the vote thereon was ___ ayes and ___ nays and ___ abstentions. ___ Council members were absent or excused.

Jami C. Lewis, Town Clerk
EXHIBIT A
TO
RESOLUTION NO. 2020-1161

[Schedule of Estimated Revenues and Expenditures]

See following pages
Town of Chino Valley  
Summary Schedule of Estimated Revenues and Expenditures/Expenses  
Fiscal Year 2021

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Expenditure Limitation Comparison</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 Adopted/Adjusted Budgeted Expenditures/Expenses*</td>
<td>E</td>
<td>$27,976,800</td>
<td>$24,407,900</td>
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<tr>
<td>2020 Actual Expenditures/Expenses**</td>
<td>E</td>
<td>$27,976,800</td>
<td>$24,407,900</td>
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<tr>
<td>2021 Fund Balance/Net Position at July 1***</td>
<td>E</td>
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<tr>
<td>2021 Primary Property Tax Levy</td>
<td>B</td>
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<tr>
<td>2021 Secondary Property Tax Levy</td>
<td>B</td>
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<td>0</td>
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<td>2021 Estimated Revenues Other than Property Taxes</td>
<td>C</td>
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<td>2021 Other Financing Sources</td>
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<td>2021 Interfund Transfers (Out)</td>
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<td>2021 Reduction for Amounts Not Available: LESS:</td>
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<td>2021 Total Financial Resources Available</td>
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<tr>
<td>2021 Budgeted Expenditures/Expenses</td>
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<td>3,581,900</td>
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</tbody>
</table>

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.  
** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.  
*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).
## Town of Chino Valley
### Tax Levy and Tax Rate Information
#### Fiscal Year 2021

1. **Maximum allowable primary property tax levy.**
   - A.R.S. §42-17051(A)
   - | 2020 | 2021 |
   - | $ | $ |

2. **Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy.**
   - A.R.S. §42-17102(A)(18)
   - | 2020 |
   - | $ |

3. **Property tax levy amounts**
   - **A. Primary property taxes**
   - | 2020 | 2021 |
   - | $ | $ |
   - **B. Secondary property taxes**
   - | 2020 | 2021 |
   - | $ | $ |
   - **C. Total property tax levy amounts**
   - | 2020 | 2021 |
   - | $ | $ |

4. **Property taxes collected**
   - **A. Primary property taxes**
     - (1) **Current year's levy**
     - | 2020 |
     - | $ |
     - (2) Prior years' levies
     - (3) Total primary property taxes
     - | 2020 |
     - | $ |
   - **B. Secondary property taxes**
     - (1) **Current year's levy**
     - | 2020 |
     - | $ |
     - (2) Prior years' levies
     - (3) Total secondary property taxes
     - | 2020 |
     - | $ |
   - **C. Total property taxes collected**
     - | 2020 |
     - | $ |

5. **Property tax rates**
   - **A. City/Town tax rate**
     - (1) Primary property tax rate
     - (2) Secondary property tax rate
     - (3) Total city/town tax rate
   - **B. Special assessment district tax rates**
     - Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating 3 special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.
### Town of Chino Valley

**Revenues Other Than Property Taxes**

**Fiscal Year 2021**

<table>
<thead>
<tr>
<th>SOURCE OF REVENUES</th>
<th>ESTIMATED REVENUES 2020</th>
<th>ACTUAL REVENUES* 2020</th>
<th>ESTIMATED REVENUES 2021</th>
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<tbody>
<tr>
<td><strong>GENERAL FUND</strong></td>
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<tr>
<td>Local taxes</td>
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*Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.
### Town of Chino Valley
Revenues Other Than Property Taxes
Fiscal Year 2021

<table>
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<tr>
<th>SOURCE OF REVENUES</th>
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<th>ACTUAL REVENUES* 2020</th>
<th>ESTIMATED REVENUES 2021</th>
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<td>$ 325,000</td>
<td>$ 318,600</td>
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<td>$ 4,031,000</td>
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<td>$ 3,974,804</td>
<td>$ 4,031,000</td>
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<td>$ 2,934,718</td>
<td>$ 3,139,000</td>
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<tr>
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<td>$ 2,934,718</td>
<td>$ 3,139,000</td>
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<td>$ 19,011,401</td>
<td>$ 22,383,800</td>
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</table>

*Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.
# Town of Chino Valley

## Other Financing Sources/(Uses) and Interfund Transfers

### Fiscal Year 2021

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<tr>
<th>FUND</th>
<th>OTHER FINANCING 2021</th>
<th>INTERFUND TRANSFERS 2021</th>
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<td><strong>DEBT SERVICE FUNDS</strong></td>
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<tr>
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<tr>
<td>Total Debt Service Funds</td>
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<td>$0</td>
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<tr>
<td><strong>CAPITAL PROJECTS FUNDS</strong></td>
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</tr>
<tr>
<td>Capital Improvement Fund</td>
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<tr>
<td>Total Capital Projects Funds</td>
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<tr>
<td><strong>TOTAL ALL FUNDS</strong></td>
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# Town of Chino Valley

## Expenditures/Expenses by Fund

### Fiscal Year 2021

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<th>FUND/DEPARTMENT</th>
<th>ADOPTED EXPENDITURES/EXPENSES</th>
<th>EXPENDITURE/EXPENSE ADJUSTMENTS APPROVED</th>
<th>ACTUAL EXPENDITURES/EXPENSES*</th>
<th>BUDGETED EXPENDITURES/EXPENSES</th>
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<tbody>
<tr>
<td><strong>GENERAL FUND</strong></td>
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<tr>
<td>Prosecutor</td>
<td>$126,200</td>
<td>$123,800</td>
<td>$127,800</td>
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<tr>
<td>Town Clerk</td>
<td>$214,000</td>
<td>$195,100</td>
<td>$287,200</td>
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<tr>
<td>Town Manager</td>
<td>$418,100</td>
<td>$437,100</td>
<td>$443,700</td>
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<td>Magistrate Court</td>
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<tr>
<td>Finance</td>
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<td>$455,600</td>
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<td>Mgmt Info Systems</td>
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<td>$300,650</td>
<td>$314,300</td>
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<td>$40,300</td>
<td>$51,200</td>
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<tr>
<td>Planning</td>
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</tr>
</tbody>
</table>

| **SPECIAL REVENUE FUNDS** |                                  |                                         |                               |                                |
|---------------------------|---------------------------------|-----------------------------------------|-------------------------------|                                |
| Highway User Revenue Fund | $1,417,500                      | $1,439,200                              | $1,706,000                    |                                |
| CDBG Grant                | $325,000                        | $318,600                                | $3,500,000                    |                                |
| Miscellaneous Grants Fund | $3,500,000                     | $3,500,000                              | $3,500,000                    |                                |
| Special Revenue Fund – Court | $58,500                      | $58,500                                 | $43,500                       |                                |
| Special Revenue Fund – PD | $55,000                         | $6,000                                  | $34,000                       |                                |
| Lighting Improvement Districts | $4,000                      | $4,000                                  | $4,000                        |                                |
| **Total Special Revenue Funds** | $5,360,000 | $1,826,300 | $5,287,500 | |

| **DEBT SERVICE FUNDS** |                                  |                                         |                               |                                |
|------------------------|---------------------------------|-----------------------------------------|-------------------------------|                                |
| Debt Service Fund      | $891,300                        | $904,100                                | $973,000                      |                                |
| **Total Debt Service Funds** | $891,300 | $904,100 | $973,000 | |

| **CAPITAL PROJECTS FUNDS** |                                  |                                         |                               |                                |
|---------------------------|---------------------------------|-----------------------------------------|-------------------------------|                                |
| Capital Improvements Fund | $4,856,000                      | $2,248,800                              | $3,550,000                    |                                |
| Asset Replacement Fund    | $60,000                         | $22,800                                 | $150,000                      |                                |
| **Total Capital Projects Funds** | $4,916,000 | $2,271,600 | $3,700,000 | |

| **ENTERPRISE FUNDS** |                                  |                                         |                               |                                |
|---------------------|---------------------------------|-----------------------------------------|-------------------------------|                                |
| Water Enterprise Fund | $2,914,200                      | $967,000                                | $751,200                      |                                |
| Sewer Enterprise Fund | $2,885,900                     | $2,359,300                              | $2,830,700                    |                                |
| **Total Enterprise Funds** | $5,800,100 | $3,326,300 | $3,581,900 | |
| **TOTAL ALL FUNDS** | $27,976,800                     | $19,018,050                             | $24,407,900                   |                                |

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.
<table>
<thead>
<tr>
<th>DEPARTMENT/FUND</th>
<th>ADOPTED EXPENDITURES/EXPENSES</th>
<th>EXPENDITURE/EXPENSE ADJUSTMENTS APPROVED</th>
<th>ACTUAL EXPENDITURES/EXPENSES</th>
<th>BUDGETED EXPENDITURES/EXPENSES</th>
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<td>2021</td>
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<tr>
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<tr>
<td>General Fund</td>
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<tr>
<td>General Fund</td>
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<td>$437,100</td>
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<tr>
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<tr>
<td>General Fund</td>
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<td>$300,650</td>
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<tr>
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## Town of Chino Valley
### Expenditures/Expenses by Department
#### Fiscal Year 2021

<table>
<thead>
<tr>
<th>DEPARTMENT/FUND</th>
<th>2020</th>
<th>2020</th>
<th>2020</th>
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<td>Aquatics Center</td>
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<td>General Fund</td>
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<td>$217,100</td>
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<td>Facilities Maintenance</td>
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<tr>
<td>General Fund</td>
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<tr>
<td>Water Enterprise Fund</td>
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<td><strong>Department Total</strong></td>
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<tr>
<td>Sewer Utilities</td>
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<tr>
<td>Sewer Enterprise Fund</td>
<td>$2,885,900</td>
<td>$2,359,300</td>
<td>$2,830,700</td>
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</tbody>
</table>
## Town of Chino Valley
### Expenditures/Expenses by Department
#### Fiscal Year 2021

<table>
<thead>
<tr>
<th>DEPARTMENT/FUND</th>
<th>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020</th>
<th>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020</th>
<th>ACTUAL EXPENDITURES/ EXPENSES* 2020</th>
<th>BUDGETED EXPENDITURES/ EXPENSES 2021</th>
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</thead>
<tbody>
<tr>
<td>Department Total</td>
<td>$2,885,900</td>
<td>$2,359,300</td>
<td>$2,830,700</td>
<td>$2,830,700</td>
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</table>
## Town of Chino Valley
### Expenditures/Expenses by Department
#### Fiscal Year 2021

<table>
<thead>
<tr>
<th>DEPARTMENT/FUND</th>
<th>ADOPTED BUDGETED EXPENDITURES/EXPENSES</th>
<th>EXPENDITURE/EXPENSE ADJUSTMENTS APPROVED</th>
<th>ACTUAL EXPENDITURES/EXPENSES*</th>
<th>BUDGETED EXPENDITURES/EXPENSES</th>
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<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2020</td>
<td>2020</td>
<td>2021</td>
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<tr>
<td>Roads</td>
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<td>HURF</td>
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<td>TOTAL ALL DEPARTMENTS</td>
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<td>$19,018,050</td>
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</table>

Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.
# Town of Chino Valley

## Full-Time Employees and Personnel Compensation

**Fiscal Year 2021**

<table>
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<tr>
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<td>$15,821</td>
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<td>TOTAL ALL FUNDS</td>
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AGENDA ITEM TITLE:
Public Hearing regarding (i) Resolution No. 2020-1162, relating to the Statements and Estimates of Expenses of the Town of Chino Valley Street Lighting Improvement Districts for Fiscal Year 2020/2021, which shall constitute the budgets of the Districts for fiscal year 2020/2021 and (ii) the tax levy anticipated in conjunction with the budgets of the Districts. (Joe Duffy, Finance Director)

RECOMMENDED ACTION:
Hold the Public Hearing.
RESOLUTION NO. 2020-1162


WHEREAS, the provisions of Arizona Revised Statutes ("A.R.S.") § 48-616 requires the Mayor and Council of the Town of Chino Valley (the "Town Council") to levy taxes upon all property in a municipal street lighting improvement district to pay the annual expenses of said district; and

WHEREAS, in accordance with A.R.S. § 42-17102, the Town Manager prepared and filed with the Town Council the budget estimates for the fiscal year beginning July 1, 2020, and ending June 30, 2021, for the following: (i) Chino Valley, Arizona, CVSLID #1 Lighting Improvement District; (ii) Chino Valley, Arizona, CVSLID #2 Lighting Improvement District; and (iii) Chino Valley, Arizona, CVSLID #3 Lighting Improvement District (collectively, the "Lighting Districts"); and

WHEREAS, on May 26, 2020, the Town Council approved Resolution 2020-1160, adopting the estimates of expenditures for the fiscal year beginning July 1, 2020, and ending June 30, 2021, as the tentative budgets for the Lighting Districts; and

WHEREAS, Resolution 2020-1160 also directed the Town Clerk to: (i) publish in the official Town newspaper once per week for two consecutive weeks, (a) the official tentative budgets for the Lighting Districts and (b) a notice of the public hearing of the Town Council to hear taxpayers and make tax levies at designated times and places; and (ii) not later than seven business days following consideration of Resolution 2020-1160 by the Town Council, (a) make available at the Chino Valley Public Library and the Chino Valley Town Hall a complete copy of the tentative budgets for the Lighting Districts, and (b) post the tentative budgets for the Lighting Districts on the Town’s website; and

WHEREAS, due notice has been given by the Town Clerk as required by law that the Town Council would meet on June 23, 2020, at the Town Council Chambers for the purposes of (i) hearing taxpayers on the proposed expenditures and proposed tax levies as set forth in said estimates and (ii) adopting the tentative budgets as final; and

WHEREAS, on June 23, 2020, the Town Council held a public hearing on the final budgets and proposed tax levies as required by law; and

WHEREAS, the expenditures/expenses in the proposed final budget for the Lighting Districts for Fiscal Year 2020/2021 do not exceed the expenditures/expenses shown on the published tentative budgets.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Chino Valley, County of Yavapai, Arizona, as follows:

Resolution No. 2020-1162       June 23, 2020       Page 1
SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Statement of Estimates and Expenses shown in the schedules attached hereto as Exhibit A and incorporated herein by reference, are hereby formally adopted as the official final budgets for the Lighting Districts for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

SECTION 3. This Resolution shall be effective from and after its passage and approval according to law.

SECTION 4. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 23rd day of June, 2020.

Darryl L. Croft, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:

____________________________________
Andrew J. McGuire, Town Attorney
Gust Rosenfeld, PLC

I hereby certify the above foregoing Resolution No. 2020-1162 was duly passed by the Council of the Town of Chino Valley, Arizona, at a special meeting held on June 23, 2020, and that quorum was present thereat and that the vote thereon was ____ ayes and ____ nays and ____ abstentions. ____ Council members were absent or excused.

Jami C. Lewis, Town Clerk
EXHIBIT A
TO
RESOLUTION NO. 2020-1162

[Statement of Estimates and Expenses]

See following page.
TOWN OF CHINO VALLEY, ARIZONA
Street Lighting Improvement Districts

Statement of Estimates and Expenses

Fiscal Year - 2020/2021

<table>
<thead>
<tr>
<th></th>
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<td>$(100)</td>
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<td>$ 1,200</td>
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INVITATION FOR BIDS
Town of Chino Valley
Public Works Department
1982 Voss Drive
Chino Valley, Arizona 86323

SOLICITATION INFORMATION AND SCHEDULE

Solicitation Title: Chino Valley Unified School District Improvement Project

Release Date: May 12, 2020

Advertisement Dates: May 12, 13, 14 and 15, 2020 – Prescott Daily Courier

NON-MANDATORY
Prospective Bidders’ Conference: May 20, 2020
10:00 a.m. (local-time, Chino Valley, Arizona)
Town of Chino Valley
Public Works Conference Room
1982 Voss Drive
Chino Valley, Arizona 86323

Final Date for Inquiries: May 25, 2020

Bid Deadline: June 1, 2020
3:00 p.m. (local-time, Chino Valley, Arizona)

Bid Opening: June 1, 2020
3:00 p.m. (local-time, Chino Valley, Arizona)

Town Representative: Frank Marbury fmarbury@chinoaz.net
928-636-2646; ext. 1226

In accordance with the Town of Chino Valley Procurement Policy, competitive sealed Bids for the services specified herein will be received at the Town of Chino Valley Public Works Department at the above-referenced location until the date and time referenced above (the “Bid Deadline”). Bids received by the Bid Deadline shall be publicly opened and the Bid Price read. Bids must be in the actual possession of the Public Works Department on, or prior to, the Bid Deadline. Late Bids will not be considered and will be returned unopened. Each Bid shall be submitted in a sealed envelope with the Solicitation Name and the Bidder’s name and address clearly indicated on the front of the envelope.

Individual sets of the Contract Documents may be obtained upon payment of $25.00 per set.

Copies of the Contract Documents, including plans and specifications, are available for viewing and inspection at:

Town of Chino Valley Public Works Department
1982 Voss Drive, Chino Valley, Arizona 86323

* The Town of Chino Valley reserves the right to amend the solicitation schedule as necessary.
OFFER

The undersigned (the "Bidder") hereby offers this Bid as an offer to contract with the Town under the terms and conditions set forth below and certifies that Bidder has read, understands and agrees to fully comply with, and be contractually bound by, all terms and conditions as set forth in this Invitation For Bids ("IFB"), the Contract formed hereby (as defined below) and any amendments thereto, together with all Exhibits, Specifications, Plans and other documents included as part of this Contract (the "Contract Documents").

| Arizona Transaction (Sales) Privilege Tax License Number: 20005917 |
| Federal Employer Identification Number: 411-21-7531 0 |
| Contractor Name: ASPHALT PAVERS & SUPPLY, INC. |
| 2425 N. Glendale Ave. |
| Peoria, Valley AZ 85381 |

For Clarification of this Bid contact:

| Name: Hove McCormick |
| Telephone: 928 772 6363 |
| Facsimile: 928 772 7313 |
| Email: hvoemccormick@nicol.com |

Authorized Signature for Contractor

| Printed Name: Hove McCormick |
| Title: President |

ACCEPTANCE OF OFFER (FOR TOWN OF CHINO VALLEY USE ONLY)

| Effective Date: | Contract No: | Official File: |

TOWN OF CHINO VALLEY,
an Arizona municipal corporation

Darryl Croft, Mayor

ATTEST: Jami Lewis, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney
TOWN OF CHINO VALLEY
ACKNOWLEDGMENT OF PLANS AND SPECIFICATIONS RECEIVED

INVITATION FOR BIDS

CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

Bidder certifies that it has reviewed and verified the following Plans and Specifications were included as part of IFB for Chino Valley Unified School District Improvement Project, released on May 12, 2020, and that the information contained therein has been incorporated in formulating the Bidder’s Offer:

Final design plans prepared by Lyon Engineering & Surveying, Inc., dated May 2020, and sealed by Scott A. Lyon on 5/4/2020: G.01, G.02, G.03, G.04, SVY.01, SVY.02, C.01, C.02, C.03, C.04, D.01, D.02 and D.03.

Town of Chino Valley Supplement to the Maricopa Association of Governments Uniform Standard Specifications for Public Works for the Chino Valley Uniform School District Improvement Project.

Signed

Date

Print Name and Title

Company Name

June 1, 2020

MATE MCKROW, PRESIDENT

ASOUZI PAVING & SUPPLY, INC.
ARTICLE I - DEFINITIONS

For purposes of this Invitation for Bids, the following definitions shall apply:

1.1 "Bid" or "Offer" means a responsive bid or quotation submitted by a Bidder in response to this IFB.

1.2 "Bid Deadline" means the date and time set forth on the cover of this IFB for the Town of Chino Valley Public Works Department to be in actual possession of the sealed Bids.

1.3 "Bid Opening" means the date and time set forth on the cover of this IFB for opening of sealed Bids.

1.4 "Bidder" means any person or firm submitting a competitive Bid in response to this IFB.

1.5 "Confidential Information" means that portion of a Bid, proposal, Offer, Specification or protest that contains information that the person submitting the information believes should be withheld, provided (i) such person submits a written statement advising the Town of this fact at the time of the submission and (ii) the information is so identified wherever it appears.

1.6 "Contract" means, collectively, (i) the executed Offer/Bid, (ii) the executed Acknowledgment of Plans and Specifications, (iii) this IFB, including all completed exhibits, (iv) the Notice to Proceed or Purchase Order(s), (vi) any approved Addendum, Change Order or Amendment, (vii) the Contractor's Certificates of Insurance and a copy of the Declarations Page(s) of the insurance policies, (viii) the Certificate of Completion and (ix) any Plans, Specifications, Reference Documents or other documents attached, appended or incorporated herein by reference. Alternate or optional bid items will become part of this Contract only if they are accepted by the Town in writing on the Price Sheet.

1.7 "Contractor" means the individual, partnership, corporation or limited liability company who has submitted a Bid in response to this IFB and who, as a result of the competitive bidding process, is awarded a contract for Materials or Services by the Town.

1.8 "Contract Time" means the time period during which the Contractor must complete all of the Work related to the Project.

1.9 "Day(s)" means calendar day(s) unless otherwise specified.

1.10 "Engineer" means the Town Engineer or authorized designee.

1.11 "Final Completion" shall be defined as set forth in Section 3.18 and shall occur not later than 30 Days from the date of Substantial Completion unless otherwise designated by the Engineer and subject to modification by changes in the Work as provided in Section 3.16 below.

1.12 "Invitation for Bids" or "IFB" means this request by the Town for participation in the competitive bidding process according to all documents, including those attached or incorporated herein by reference, utilized for soliciting Bids for the Materials and/or Services in compliance with the Town's Procurement Policy.

1.13 "MAG Specifications" means, collectively, the "Uniform Standard Specifications for Public Works Construction," current edition as of the date of Contract award and the "Uniform Standard Details for Public Works Construction," current edition as of the date of Contract award, which are sponsored and distributed by the Maricopa Association of Governments ("MAG").

1.14 "MAG Supplement" means the Town of Chino Valley Supplement to the MAG Uniform Standard Specifications for Public Works, attached hereto as part of Exhibit A and incorporated herein by reference.
1.15 "Materials" means any personal property, including equipment, materials, replacements and supplies provided by the Contractor in conjunction with this Contract and shall include, in addition to Materials incorporated in the Project, equipment and other material used and/or consumed in the performance of the Work.

1.16 "Multiple Award" means an award of an indefinite quantity contract for one or more similar products, commodities or Services to more than one Bidder.

1.17 "Plans" means drawings relating to the Project, prepared by or on behalf of the Town, bearing the seal of the professional who is responsible for their preparation.

1.18 "Price" means the total expenditure for the defined Project, inclusive of all Materials, commodities or Services.

1.19 "Procurement Administrator" means a Town employee, as designated on the cover of this IFB, who has specifically been designated to act as a contact person to the Bidders and/or Contractor relating to their IFB.

1.20 "Procurement Agent" means the Town Manager or authorized designee.

1.21 "Procurement Policy" means the Town’s Procurement Policy, as amended from time to time.

1.22 "Project" means the purpose and Work described as set forth in Section 2.1, in the "Purpose/Scope of Work" of the IFB.

1.23 "Punch List" means that list of items provided by Town to Contractor at the time of Substantial Completion indicating items to be completed or corrected, including the time for completion or correction by Contractor after Substantial Completion.

1.24 "Reference Documents" means information provided by the Town relating to the Project that must be evaluated by the Contractor and incorporated into its Bid.

1.25 "Services" means the furnishing of labor, time or effort by a Contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance and as further defined in this Contract. This term does not include "professional and technical services" as defined in the Procurement Policy.

1.26 "Specification" means any description of the physical characteristics, functional characteristics, or the nature of a commodity, product, supply or Services. The term may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

1.27 "Subcontractor" means those persons or groups of persons having a direct contract with the Contractor to perform a portion of the Work and those who furnish Materials according to the Plans and/or Specifications required by this Contract.

1.28 "Substantial Completion" shall be defined as set forth in Section 3.17 below and shall occur not later than the date set forth in the Schedule, subject to modification by changes in the Work as provided in Section 3.16 below.

1.29 "Substitutions" means Contractor’s proposed changes in products, materials, equipment and methods of construction from those required by the Contract Documents.

1.30 "Substitutions for Cause" means changes proposed by Contractor that are required due to changed product conditions, such as unavailability of product, regulatory changes, or unavailability of required warranty terms.
1.31 "Substitutions for Convenience" means changes proposed by Contractor or Town that are not required in order to meet other Project requirements, but which may offer advantage to Contractor or Town.

1.32 "Town" means the Town of Chino Valley, an Arizona municipal corporation.

1.33 "Town Representative" means the Town employee who has specifically been designated to act as a contact person to the Town’s Procurement Administrator, and who is responsible for monitoring and overseeing the Contractor’s performance under this Contract and for providing information regarding details pertaining to the Work.

1.34 "Work" means all labor, Materials and equipment incorporated or to be incorporated in the Project that are necessary to accomplish the construction required by this Contract.

ARTICLE II – BID PROCESS; BID AWARD

2.1 Purpose/Scope of Work. The Work included in this Project consists of constructing a new asphalt bus lane at Del Rio Elementary School located at the northwest corner of Road 2 North and Road 1 West in Chino Valley, Arizona. The Town is issuing this IFB to secure a qualified Engineering Contracting (Commercial) Class A Licensed Contractor to perform the Work and provide Materials as more particularly described in the Plans and Specifications attached hereto as Exhibit A, and incorporated herein by reference. Bidders must submit Bids encompassing the entire Project, inclusive of the related Plans, Specifications, related construction drawings and Reference Documents, if any. Failure to do so may result in a determination that the Bid is non-responsive.

2.2 Amendment of IFB. Except as set forth in Section 3.59 below, no alteration may be made to this IFB or the resultant Contract without the express, written approval of the Town in the form of an official IFB addendum or Contract amendment. Any attempt to alter this IFB/Contract without such approval is a violation of this IFB/Contract and the Town Procurement Policy. Any such action is subject to the legal and contractual remedies available to the Town including, but not limited to, Contract cancellation and suspension and/or debarment of the Bidder or Contractor.

2.3 Preparation/Submission of Bid. Bidders are invited to participate in the competitive bidding process for the Project specified in this IFB. Bidders shall review their Bid submissions to ensure the following requirements are met.

A. Irregular/Non-responsive Bids. The Town will consider as "irregular" or "non-responsive" and shall reject any Bid not prepared and submitted in accordance with the IFB and Specifications, or any Bid lacking sufficient information to enable the Town to make a reasonable determination of compliance with the Specifications. Unauthorized or unreasonable exceptions, conditions, limitations, or provisions shall be cause for rejection. Bids may be deemed non-responsive at any time during the evaluation process if, in the sole opinion of the Procurement Agent, any of the following are true:

1. Bidder does not meet the minimum required skill, experience or requirements to perform the Work or provide the Materials.

2. Bidder has a past record of failing to fully perform or fulfill contractual obligations.


4. Bid submission contains false, inaccurate or misleading statements that, in the opinion of the Procurement Agent, are intended to mislead the Town in its evaluation of the Bid.

B. Specification Minimums. Bidders are reminded that the Specifications in this IFB are the minimum levels required and that Bids submitted must be for products that meet or exceed the minimum level of
all features specifically listed in this IFB. Bids offering less than the minimums specified will be deemed not responsive. It shall be the Bidder’s responsibility to carefully examine each item listed in the Specifications.

C. Required Submittal. Bidders shall provide the entire IFB document (all pages) that contains the following completed pages/documents to be considered a responsive Bid:

1. Offer, signed in ink by a person authorized to bind the Bidder (Page i).
2. Acknowledgement of Plans and Specifications, signed in ink (Page ii). (The full set of Plans and Specifications does not need to be returned with the IFB.)
3. Price Sheet (Exhibit C or as subsequently replaced by Addendum).
4. Licenses; DBE/WBE Status (Exhibit E).
5. References (Exhibit F).
6. Bid Bond (Exhibit G).
7. Key Personnel/Subcontractor Listing (Exhibit H).
8. Acknowledgment page, signed in ink, for each Addendum received, if any (Exhibit K). (Revised Plans and Specifications attached to the Addendum do not need to be returned with the Acknowledgment.)

D. Bidder Responsibilities. All Bidders shall (1) examine the entire Bid package, (2) seek clarification of any item or requirement that may not be clear, (3) check all responses for accuracy before submitting a Bid and (4) submit the entire completed Bid package, in accordance with Subsection 2.3(C) above, by the official Bid Deadline. Late Bids shall not be considered. Bids not submitted with an original, signed Offer page by a person authorized to bind the Bidder shall be considered non-responsive. Negligence in preparing a Bid shall not be good cause for withdrawal after the Bid Deadline.

E. Sealed Bids. All Bids shall be sealed and clearly marked with the IFB title on the lower left hand corner of the mailing envelope. A return address must also appear on the outside of the sealed Bid.

F. Address. All Bids shall be directed or hand-delivered to the following address: Town of Chino Valley Public Works Department, 1982 Voss Drive, Chino Valley, Arizona 86323.

G. Bid Forms. All Bids shall be on the forms provided in this IFB. It is permissible to copy these forms if required. Telegraphic (facsimile), electronic (email) or mailgram Bids will not be considered.

H. Modifications. Erasures, interlinearations, or other modifications in the Bid shall be initialed in original ink by the authorized person signing the Bid.

I. Withdrawal. At any time prior to the specified Bid Opening, a Bidder (or designated representative) may amend or withdraw its Bid. Facsimile, electronic (email) or mailgram Bid amendments or withdrawals will not be considered. No Bid shall be altered, amended or withdrawn after the specified Bid Deadline, unless otherwise permitted pursuant to the Town Procurement Policy.

2.4 Inquiries; Interpretation of Plans, Specifications and Drawings.

A. Inquiries. Any question related to the IFB, including any part of the Plans, Specifications, Scope of Work or other Contract Documents, shall be directed to the Town Representative and Procurement Administrator whose names appear on the cover page of this IFB. Verbal or telephone inquiries directed to Town staff will not be answered. Within two business days following the Final Date for Inquiries listed on the cover page of this IFB, answers to all questions received in writing or via e-mail will be mailed,
sent via facsimile and/or e-mailed to all parties who obtained an IFB package from the Town and who legibly provided a mailing address, facsimile and/or e-mail address to the Town. Questions shall be submitted in writing by the date indicated on the cover page of this IFB; the Town will not respond to any inquiries submitted later than the Final Date for Inquiries. The Bidder submitting such inquiry will be responsible for its prompt delivery to the Town. Any correspondence related to the IFB shall refer to the title and number, page and paragraph. However, the Bidder shall not place the IFB number and title on the outside of any envelope containing questions, because such an envelope may be identified as a sealed Bid and may not be opened until the Bid Opening. Any interpretations or corrections of the proposed Contract Documents will be made only by addenda duly approved and issued by the Town. The Town will not be responsible for any other explanations or interpretations of the Contract Documents.

B. **Addenda.** It shall be the Bidder’s responsibility to check for addenda issued to this IFB. Any addendum issued by the Town with respect to this IFB will be available at:

Town of Chino Valley
1982 Voss Drive, Chino Valley, Arizona 86323

Town’s website at [https://www.chinoaz.net/Bids.aspx](https://www.chinoaz.net/Bids.aspx)

C. **Approval of Substitutions.** The Materials, products, and equipment described in this IFB establish a standard or required function, dimension, appearance and quality to be met by any proposed substitution. No substitute will be considered unless written Substitution/Equal Request in the form attached hereto as Exhibit B, has been received by the Town Representative at least 10 Days prior to the Bid Deadline. Each such request shall include the name of the Material or equipment for which it is to be substituted and a complete description of the proposed substitute, including any drawings, performance and test data and any other information necessary for evaluation of the substitute. If a substitute is approved, the approval shall be by written addendum to the IFB. Bidder shall not rely upon approvals made in any other manner.

D. **Use of Equals.** When the Specifications for materials, articles, products and equipment include the phrase “or equal,” Bidder may bid upon and use materials, articles, products and equipment that will perform equally the requirements imposed by the general design. The Engineer will have the final approval of all materials, articles, products and equipment proposed to be used as an “equal.” No such “equal” shall be purchased or installed without prior, written approval from the Engineer. No “equal” will be considered unless a written Substitution/Equal Request, in the form attached hereto as Exhibit B, has been received by the Town Representative at least 10 Days prior to the Bid Deadline. The request shall include the name of the material or equipment for which the item is sought to be considered an equal and a complete description of the proposed equal including any drawings, cuts, performance and test data and any other information necessary for evaluation of the equal. All approval of equals shall be issued in the form of written addendum or amendment, as applicable, to this IFB or the Contract.

E. **Bid Quantities.** It is expressly understood and agreed by the parties hereto that the quantities of the various classes of Services and/or Materials to be furnished under this Contract, which have been estimated as stated in the Bidders’ Offer, are only approximate and are to be used solely for the purpose of comparing, on a consistent basis, the Bidders’ Offers presented for the Work under this Contract. The selected Contractor agrees that the Town shall not be held responsible if any of the quantities shall be found to be incorrect and the Contractor will not make any claim for damages or for loss of profits because of a difference between the quantities of the various classes of Services and/or Materials as estimated and the Services and/or Materials actually provided. Contractor is responsible for ensuring that all Materials contained in the Plans for the project are bid on the Price Sheet. Contractor shall bring any potential discrepancy between the Plans and the Price Sheet to the Town’s attention, either at the Prospective Bidders’ Conference or by written inquiry, as set forth in Subsection 2.4(A) above. If any error, omission or misstatement is found to occur, the same shall not (1) invalidate this Contract or the whole or any part of the Scope of Work, (2) excuse Contractor from any of
the obligations or liabilities hereunder or (3) entitle Contractor to any damage or compensation except as may be provided in this Contract.

2.5 **Prospective Bidders’ Conference.** A Prospective Bidders’ Conference may be held. If scheduled, the date and time of the Prospective Bidders’ Conference will be indicated on the cover page of this IFB. The Prospective Bidders’ Conference may be designated as mandatory or non-mandatory on the cover of this IFB. Bids shall not be accepted from Bidders who do not attend a mandatory Prospective Bidders’ Conference. Bidders are strongly encouraged to attend those Prospective Bidders’ Conferences designated as non-mandatory. The purpose of the Prospective Bidders’ Conference will be to clarify the contents of the IFB in order to prevent any misunderstanding of the Town’s requirements. Any doubt as to the requirements of this IFB or any apparent omission or discrepancy should be presented to the Town at the Prospective Bidders’ Conference. The Town will then determine if any action is necessary and may issue a written amendment or addendum to the IFB. Oral statements or instructions will not constitute an amendment or addendum to the IFB.

2.6 **New Materials.** All Materials to be provided by the Contractor and included in the Bid shall be new, unless otherwise stated in the Specifications.

2.7 **Prices.** Work shall be performed at the unit prices as set forth in the Price Sheet attached hereto as Exhibit C and incorporated herein by reference. Bid prices shall be submitted on a per unit basis by line item, when applicable and include all applicable transaction privilege, sales or use tax. In the event of a disparity between the unit price and extended price, the unit price shall prevail. **NOTE:** All pricing blanks must be filled in. Empty or unfilled spaces in the Bid Price Sheet shall result in a determination that a Bid is non-responsive.

2.8 **Payment; Discounts.** Any Bid that requires payment in less than 30 Days shall not be considered. Payment discounts of 30 Days or less will not be deducted from the Bid Price in determining the low Bid. The Town shall be entitled to take advantage of any payment discount offered, provided payment is made within the discount period. Payment discounts shall be indicated on Price Sheet.

2.9 **Taxes.** The Town is exempt from Federal Excise Tax, including the Federal Transportation Tax. Please be advised that ARIZ. REV. STAT. § 42-5075(P) applies to the Project contemplated within this Contract. Transaction privilege tax, sales tax and use tax, if any, shall be included in the unit price for each line item. It shall not be considered a lump sum payment item. Bidder should not include tax on any allowances. It is the sole responsibility of the Bidder to determine any applicable tax rates and calculate the tax accordingly. Failure to accurately tabulate any applicable taxes may result in a determination that a Bid is non-responsive. The Bidder shall not rely on, and shall independently verify, any tax information provided by the Town.

2.10 **Federal Funding.** It is the responsibility of the Bidder to verify and comply with federal requirements that may apply to the Work (the “Federal Requirements”). It is also the responsibility of the Bidder to incorporate any necessary amounts in the Bid to accommodate for required federal record-keeping, necessary pay structures or other matters related to the Federal Requirements. Federal Requirements, if any, shall be attached hereto as Exhibit D. In addition to any applicable Federal Requirements, this procurement is subject to a number of state and Town regulations. In general, where these rules conflict, the more stringent law or rule applies.

2.11 **Cost of Bid/Proposal Preparation.** Bids submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner. The Town does not reimburse the cost of developing, presenting or providing any response to this solicitation; the Bidder is responsible for all costs incurred in responding to this IFB. All materials and documents submitted in response to this IFB become the property of the Town and will not be returned.

2.12 **Public Record.** All Bids shall become the property of the Town. After Contract award, Bids shall become public records and shall be available for public inspection in accordance with the Town’s Procurement Policy, except that any portion of a Bid that was designated as confidential pursuant to Section 2.13 below shall remain confidential from and after the time of Bid opening to the extent permitted by Arizona law.
2.13 Confidential Information. If a Bidder believes that a Bid, Specification, or protest contains information that should be withheld from the public record, a statement advising the Procurement Agent of this fact shall accompany the submission and the information shall be clearly identified. The information identified by the Bidder as confidential shall not be disclosed until the Procurement Agent makes a written determination. The Procurement Agent shall review the statement and information with the Town Attorney and shall determine in writing whether the information shall be withheld. If the Town Attorney determines that it is proper to disclose the information, the Procurement Agent shall inform the Bidder in writing of such determination.

2.14 Bidder Licensing and Registration. Prior to the award of the Contract, the successful Bidder shall be registered with the Arizona Corporation Commission and authorized to do business in Arizona. Bidders shall provide license and certification information with the Bid, attached as Exhibit E and incorporated herein by reference. Upon the Town’s request, corporations and limited liability companies shall provide Certificates of Good Standing from the Arizona Corporation Commission.

2.15 Bidder Qualifications.

A. Experience and References. Bidder must demonstrate successful completion of at least three similar projects within the past 60 months, one of which must have a dollar value of at least 75% of the total bid for this Project as set forth in the Price Sheet, attached as Exhibit C. Total bid price does not include any Town allowances identified. For the purpose of this Solicitation, “successful completion” means completion of a project within the established schedule and budget and “similar projects” resemble this Project in size, nature and scope. References for these three projects shall be listed on the sheet attached hereto as Exhibit F and incorporated herein by reference. These references will be checked, and it is Bidder’s responsibility to ensure that all information is accurate and current. Bidder authorizes the Town’s representative to verify all information from these references and releases all those concerned from any liability in connection with the information they provide.

B. Investigation. The Town’s representative may conduct any investigation deemed necessary to determine the Bidder’s ability to perform the Work in accordance with the Contract Documents. The three lowest Bidders may be requested to submit additional documentation within 72 hours (or as specified) to assist the Town in its evaluation.

2.16 Certification. By submitting a Bid, the Bidder certifies:

A. No Collusion. The submission of the Bid did not involve collusion or other anti-competitive practices.

B. No Discrimination. It shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246.

C. No Gratuity. It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a Town employee, officer, agent or elected official in connection with the submitted Bid or a resultant Contract. In the event that the resultant Contract is canceled pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Contractor an amount equal to 150% of the gratuity.

D. Financial Stability. It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Contract.

E. No Signature/False Statement. The signature on the Bid Offer is genuine. Failure to sign the Bid, or signing it with a false statement, shall void the submitted Bid and any resulting Contract, and the Bidder may be debarred from further bidding in the Town.
2.17 **Bid Bond.** All Bidders desiring to prepare a responsive Bid shall submit a non-revocable bid security payable to the Town in the amount of ten percent (10%) of the total Bid Price. This security shall be in the form of a bid bond, certified check or cashier’s check and must be in the possession of the Town Representative by the Bid Deadline. All bid security from Contractor(s) who have been issued a Notice of Award shall be held until the successful execution of all required Contract Documents and bonds. If the Contractor fails to execute the required contractual documents and bonds within the time specified, or 10 Days after Notice of Award if no period is specified, the Contractor may be found to be in default and this Contract terminated by the Town. In case of default, the Town reserves all rights inclusive of, but not limited to, the right to purchase material and/or to complete the Work and to recover any actual excess costs associated with such completion from the Contractor. All bid bonds shall be executed in the form attached hereto as Exhibit G, duly executed by the Bidder as Principal and having as Surety thereon a Surety company holding a Certificate of Authority from the Arizona Department of Insurance to transact surety business in the State of Arizona. Individual sureties are unacceptable. All insurers and sureties shall have, at the time of submission of the proposal, an A.M. Best’s Key Rating Guide of “A-” or better as currently listed in the most recent Best Key Guide, published by the A.M. Best Company. As soon as is practicable after the completion of the evaluation, the Town will (A) issue a Notice of Award for those Offers accepted by the Town and (B) return all checks or bonds to those Bidders who have not been issued a Notice of Award.

2.18 **Award of Contract.**

A. **Multiple Award.** The Town may, at its sole discretion, accept Bidder’s Offer as part of a Multiple Award.

B. **Evaluation.** The evaluation of this Bid will be based on, but not limited to, the following: (1) compliance with Specifications, (2) tax-inclusive Price, including alternates selected by the Town, if any, and taxes, but excluding “as-needed” services requested by the Town and (3) Bidder qualifications to perform the Work.

C. **Waiver, Rejection, Reissuance.** Notwithstanding any other provision of this IFB, the Town expressly reserves the right to: (1) waive any immaterial defect or informality, (2) reject any or all Bids or portions thereof and (3) cancel or reissue an IFB.

D. **Offer.** A Bid is a binding offer to contract with the Town based upon the terms, conditions and Specifications contained in this IFB and the Bidder’s responsive Bid, unless any of the terms, conditions, or Specifications are modified by a written addendum or Contract amendment. Bids become binding Contracts when the Acceptance of Offer and Notice of Award is executed in writing by the Town. Bidder Offers shall be valid and irrevocable for 90 Days after the Bid Opening.

E. **Protests.** Any Bidder may protest this IFB, the proposed award of a Contract, or the actual award of a Contract. All protests will be considered in accordance with the Town Procurement Policy.

**ARTICLE III – GENERAL TERMS AND CONDITIONS**

**PART A - GENERAL**

3.1 **Reference Standards.** The Contractor shall perform the Work required in conformance with MAG Specifications, which is incorporated herein by reference.

3.2 **Plans and Specifications to Successful Contractor.** The successful Contractor may obtain one set of Plans and Specifications for this Project from the Engineer at no cost.

3.3 **Contract Time.** The Contract Time for this Project shall be 45 Days from the Notice to Proceed. All Work on the Project shall be completed on or before the expiration of the Contract Time.
3.4 **Pre-Construction Conference.** Within 30 Days of the issuance of the Notice of Award, the Contractor shall attend a pre-construction conference. The Town will contact the Contractor to schedule a specific date, time and location for the pre-construction conference. The purpose of this conference is to outline specific items and procedures to address items that require special attention on the part of the Contractor. The Contractor may also present proposed variations in procedures that the Contractor believes may (A) improve the Project, (B) reduce cost or (C) reduce inconvenience to the public. Any necessary coordination and procedures for construction inspection and staking will be addressed during the pre-construction conference. The Contractor will be required to provide the following items at, or prior to, the pre-construction conference, each of which is subject to review and approval by the Engineer:

A. **Key Personnel: Subcontractors.** A list of the names and emergency telephone numbers of all proposed key personnel, Subcontractors and suppliers that the Contractor intends to utilize on the Project, in the form attached hereto as Exhibit H and incorporated herein by reference. The term "Key Personnel" means individuals who will be directly assigned to this Project and includes, but is not limited to, the owner, principals, project manager, project superintendent, scheduler, construction engineer and supervisory personnel. At least two of the Bidder's Key Personnel must have a minimum of three years' experience in similar projects (defined above) and the scheduler must have experience in employing scheduling techniques appropriate for this Project. Resumes of Key Personnel shall be submitted upon request by the Town’s representative. Proposed Subcontractors shall be qualified and have the requisite professional or technical licenses and be licensed to do business in the State of Arizona. The list shall include such information on the professional background of each of the assigned key individuals as may be requested by the Town Representative. Such Key Personnel and Subcontractors shall be satisfactory to the Engineer and shall not be changed except with the consent of the Engineer. Additionally, the Engineer shall have the right to request that the Contractor personnel and Subcontractors be removed from the Project if, in the Engineer’s sole discretion, such personnel or Subcontractor(s) are detrimental to the Project delivery process. Upon receipt of such request, the Contractor shall remove such personnel or Subcontractor(s) unless the Contractor can provide the Town with sufficient documentation to prove it is commercially impractical to replace the personnel or Subcontractor(s) with substitute personnel possessing similar qualifications. The Engineer’s approval of substituted personnel or Subcontractor(s) shall not be unreasonably withheld.

B. **Progress Schedule.** A construction progress schedule showing the estimated time for start and completion of the major items of Work.

C. **Payment Schedule.** A payment schedule showing the estimated dollar volume of Work for each calendar month during the life of the Project.

D. **Traffic Control.** A written proposal, prepared by an individual who is IMSA or ATSSA certified, outlining the intended plans for traffic control and for maintaining continuous access to residences and businesses along the construction site.

E. **Drawings, Materials & Equipment.** An itemized list of all required shop drawings, material and equipment submittals and a schedule indicating the dates each of these items will be transmitted to the Town for review.

3.5 **Notice to Proceed.** Within 45 Days of the issuance of the Notice of Award the Town may issue a written Notice to Proceed. The Notice to Proceed shall stipulate the actual Contract start date, the Contract Time and the dates of Substantial Completion and Final Completion. The time required for the Contractor to obtain permits, licenses and easements shall be included in the Contract Time and shall not be justification for a delay claim by the Contractor. The time required for the Contractor to prepare, transmit and obtain approval of applicable submittals shall be included in the Contract Time and shall not be justification for a delay claim by the Contractor. No Work shall be started until after all required permits, licenses, and easements have been obtained. The Contractor shall notify the Engineer, in writing, at least 72 hours before the following events:

A. **Commencement.** The start of construction.
B. **Town Services Shut Down.** Shutdown of Town water, sewer, drainage, irrigation and/or traffic control facilities.

C. **Well or Pump Shut Down.** Shutdown of existing water wells and booster pumps. Such shutdown shall not exceed 72 hours of any facility and only one facility may be shutdown at any one time.

D. **Water Lines.** All draining and filling of water lines and irrigation laterals and all operations of existing valves or gauges. The Town will furnish all required water meters; provided however, that the meter provided is only for construction purposes. Any domestic water meter necessary for the Project shall be included in the Bid.

E. **Start-up and Testing.** Start-up or testing of any water well or booster pump to be connected to any part of the existing Town water system. This includes operation of existing valves necessary to accommodate the water.

3.6 **Laws and Regulations.** The Contractor shall keep fully informed of all rules, regulations, ordinances, statutes or laws affecting the Work herein specified, including existing and future (A) Town and County ordinances and regulations, (B) State and Federal laws and (C) Occupational Safety and Health Administration ("OSHA") standards.

3.7 **Affirmative Action Report.** It is the policy of the Town that suppliers of goods or services to the Town adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire, and promote regardless of race, color, religion, gender, national origin, age or disability. On any Contract in excess of six months, the Contractor shall provide an annual report to the Engineer highlighting its activities to comply with this Section 3.7.

3.8 **Rights-of-Way.** The Contractor shall obtain a right-of-way permit for any of the Work completed in the public right-of-way. The Contractor will be responsible for any required Yavapai County permits or other agency permits. The Town will provide any necessary easements for Work specified under this Contract, and the Contractor shall not enter or occupy with workers, tools, equipment or materials any private ground outside the property of the Town without the written consent of the owner thereof. The Contractor, at its own expense, is responsible for the acquisition of any additional easements or rights-of-way.

3.9 **Inspection and Compliance.** Each Contractor must inform itself fully of the conditions relating to the construction of the Project and the employment of labor thereon. Failure to do so will not relieve the Contractor of its obligation to furnish all material and labor necessary to carry out the provisions of this Contract. Insofar as possible in carrying out its work, the Contractor must employ such methods or means as will not cause any interruption of or interference with the Work of any other contractor. Contractor affirms that it has inspected the jobsite and has thoroughly reviewed this Contract including, without limitation, the Specifications listed on Exhibit A, as the same may be revised by the Town, and is not relying on any opinions or representations of Town. Contractor agrees to perform and complete such Work in strict accordance with this Contract and under the general direction of the Town. Contractor agrees that any exclusions of any Work must be approved in writing by the Town prior to acceptance of this Contract or same shall not be excluded hereunder. Contractor shall provide all competent supervision necessary to execute all Work and any Work incidental thereto in a thorough, first-class, workmanlike manner. It is Contractor's responsibility that all of the Work and any Work incidental thereto conforms to, and is performed in accordance with, all applicable Federal, State, County and Town laws, codes, ordinances, regulations (including National Pollutant Discharge Elimination System and air pollution standards) and orders of public authorities bearing on performance of the Work.

3.10 **Safety Plan.** Contractor is responsible for all safety precautions and programs and shall perform the Work in accordance with a safety plan that is compliant with OSHA, American National Standards Institute and National Institute for Occupational Safety and Health standards. Contractor shall provide all protection and necessary supervision to implement said safety plan. Contractor shall take all reasonable precautions for the safety of and provide reasonable protection to prevent damage, injury or loss to: (A) employees or others on the Project,
(B) the Work and materials and (C) other property at the Project or adjacent thereto. Contractor shall designate a responsible person on the Project whose duty shall be prevention of accidents.

3.11 Traffic Regulations. All traffic affected by the Work under this Contract shall be regulated in accordance with the then-current version of the City of Phoenix-Traffic Barricade Manual (the "Barricade Manual") which is incorporated herein by reference; provided, however, that this Contract shall govern in a conflict with the terms of the Barricade Manual. At the time of the pre-construction conference, the Contractor shall designate an employee who is well qualified and experienced in construction traffic control and safety to be responsible for implementing, monitoring and altering traffic control measures, as necessary. At the same time, the Town will designate a representative who will be responsible to see that all traffic control and any alterations are implemented and monitored to the extent that traffic is carried through the Work area in an effective manner and that motorists, pedestrians, bicyclists and workers are protected from hazard and accidents.

A. Major Streets. The following shall be considered major streets: All major parkway, mile (section line), arterial and collector (mid-section line and quarter section line) streets so classified by the Town.

B. Traffic Control Devices. All traffic control devices required for the Work under this Contract shall be the responsibility of the Contractor. The Contractor shall place advance warning signs (such as REDUCE SPEED, LOOSE GRAVEL, 25 MPH SPEED LIMIT and DO NOT PASS) in accordance with the Barricade Manual. The Contractor shall provide, erect and maintain all necessary flashing arrow boards, barricades, suitable and sufficient warning lights, signals and signs and shall take all necessary precautions for the protection of the Work and safety of the public. The Contractor shall provide, erect and maintain acceptable and adequate detour signs at all closures and along detour routes. All barricades and obstructions shall be illuminated at night, and all safety lights shall be illuminated from sunset until sunrise. All barricades and signs used by the Contractor shall conform to the standard design generally accepted for such purposes and payment for all such services and materials shall be considered as included in the other pay items of this Contract.

C. Existing Signs. The Contractor shall ensure that all existing traffic signs are erect, clean and in full view of the intended traffic at all times. Street name signs at major street intersections shall be maintained erect at all times. If these signs should interfere with construction, the Contractor shall notify the Engineer, in writing, at least 48 hours in advance for Town personnel to temporarily relocate or cover said signs. The Engineer will direct the Contractor as to the correct positions to re-set all traffic and street name signs to permanent locations when notified by the Contractor that the interfering construction is complete.

D. Manual Traffic Control. Manual traffic control shall be in conformity with the Barricade Manual, except that the designated liaison officer shall be contacted at the Chino Valley Police Department. When construction activities or traffic hazards at the construction site require the use of flagmen, it shall be the Contractor’s responsibility to provide trained flagmen to direct traffic safely. When traffic hazards at construction sites warrant the use of certified police personnel to direct traffic, arrangements must be made with the liaison officer at the Chino Valley Police Department.

E. Contractor Equipment. The assembly and turnarounds of the Contractor’s equipment shall be accomplished using adjacent local streets when possible. Equipment used and/or directed by the Contractor shall travel with traffic at all times. Supply trucks shall travel with traffic except when being spotted. Contractor shall provide a flagman or off-duty, uniformed Chino Valley officer to assist with spotting.

F. Traffic Alterations. During construction, it may be necessary to alter traffic control. Any such alterations shall be in accordance with the Barricade Manual. No street within the Project area may be closed to through traffic or to local emergency traffic without prior, written approval of the Engineer. Written approval may be given if sufficient time exists to allow for notification of the public at least 72 hours in advance of such closing. Partial closure of streets within the Project shall be done in strict conformity with the Barricade Manual and the Engineer’s written directions.
G. **Intersections.** Caution should be used when excavating near intersections with traffic signal underground cable. Contractor shall notify the Engineer, in writing, 24 hours in advance of any Work at such intersections. The Contractor shall install and maintain temporary overhead traffic signal cable as specified by the Engineer when underground conduit is to be severed by excavations at intersections. The Contractor shall provide an off-duty, uniformed Chino Valley police officer to direct traffic while the traffic signal is turned off and the wiring is transferred. All damaged or modified traffic signal overhead and underground items shall be repaired and restored to the Engineer's satisfaction. Magnetic detector loops shall, under no circumstances, be spliced.

H. **Adjacent Property Access.** The Contractor shall maintain access to all businesses, schools and residences along the Project alignment at all times. Where there is more than one point of access to a property, the Contractor shall not restrict more than one access at a time. Access to at least one driveway shall be maintained during non-working hours. The Contractor shall also provide for safe and adequate public pedestrian movement through and around the Project as needed. Directional business name signs shall also be required where access is impacted or limited.

I. **Covered Crossings.** Where crossings of existing pavement occurs, no open trenches shall be permitted overnight, but plating may be permitted if conditions allow, as determined by the Engineer in his sole discretion. If plates cannot be used, crossings shall either be back-filled or the Contractor shall provide a detour.

3.12 **Indemnification.** To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness or intentional misconduct of the Contractor, its officers, employees, agents, or any tier of subcontractor in connection with Contractor's work or services in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

3.13 **Insurance.**

A. **General.**

1. **Insurer Qualifications.** Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Contract at the Town's option.

2. **No Representation of Coverage Adequacy.** By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Contractor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract 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 Contract.

3. **Additional Insured.** All insurance coverage, 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 Contract, the Town, its agents, representatives,
officers, directors, officials and employees as Additional Named Insured as specified under the respective coverage sections of this Contract.

4. **Coverage Term.** All insurance required herein shall be maintained in full force and effect until all Work or Services required to be performed under the terms of this Contract are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Contract.

5. **Primary Insurance.** Contractor’s insurance shall be primary insurance with respect to performance of this Contract and in the protection of the Town as an Additional Insured.

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 years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

7. **Waiver.** All policies, except for Professional Liability, including Workers’ Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the Work or Services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

8. **Policy Deductibles and/or Self-Insured Retentions.** The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the Town. Contractor shall be solely responsible for any such deductible or self-insured retention amount.

9. **Use of Subcontractors.** If any Work under this Contract is subcontracted in any way, Contractor shall execute written agreements with its Subcontractors containing the indemnification provisions set forth above and insurance requirements set forth herein protecting the Town and Contractor. Contractor shall be responsible for executing any agreements with its Subcontractor and obtaining certificates of insurance verifying the insurance requirements.

10. **Evidence of Insurance.** Contractor will provide to the Town within 10 business days after receipt of the executed Agreement, and prior to commencing any Work or Services under this Contract, suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Contract, issued by Contractor’s insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Contract and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Contract. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Contract. If any of the policies required by this Contract expire during the life of this Contract, it shall be Contractor’s responsibility to forward renewal certificates and declaration page(s) to the Town 30 Days prior to the expiration date. All certificates of insurance and declarations required by this Contract shall be identified by referencing this Contract. A $25.00 administrative fee shall be assessed for all certificates or declarations received without a reference to this Contract. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing this Contract will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:
a. The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

   (i) Commercial General Liability - Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

   (ii) Auto Liability - Under ISO Form CA 20 48 or equivalent.

   (iii) Excess Liability - Follow Form to underlying insurance.

b. Contractor's insurance shall be primary insurance with respect to performance of this Contract.

c. All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of Work or Services performed by Contractor under this Contract.

d. ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) 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.

11. Endorsements. Contractor shall provide the Town with the necessary endorsements to ensure Town is provided the insurance coverage set forth in this Subsection.

B. Required Insurance Coverage.

1. Commercial General Liability. Contractor shall maintain "occurrence" form Commercial General 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 ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Contract, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, 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 Subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

2. 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 Work or Services under this Contract. Coverage will be at least as broad as ISO 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 the performance of this Contract, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this Subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.
3. **Professional Liability.** If this Contract is the subject of any professional Services or Work, or if the Contractor engages in any professional Services or Work in any way related to performing the Work under this Contract, the Contractor shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Contractor, or anyone employed by the Contractor, or anyone for whose negligent acts, mistakes, errors and omissions the Contractor is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

4. **Workers’ Compensation Insurance.** If Contractor employs anyone who is required by law to be covered by workers’ compensation insurance, Contractor shall maintain Workers’ Compensation insurance to cover obligations imposed by Federal and State statutes having jurisdiction over Contractor’s employees engaged in the performance of Work or Services under this Contract and shall also maintain Employers 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. **Builder’s Risk Insurance.** Unless expressly waived by the Town Manager in a written addendum or amendment to this Contract, the Contractor shall be responsible for purchasing and maintaining insurance to protect the Project from perils of physical loss. The insurance shall provide for the full cost of replacement for the entire Project at the time of any loss. The insurance shall include as named insureds the Town, the Contractor, the Contractor’s Subcontractors and subsubcontractors and shall insure against loss from the perils of fire and all-risk coverage for physical loss or damage due to theft, vandalism, collapse, malicious mischief, transit, flood, earthquake, testing, resulting loss arising from defective design, negligent workmanship or defective material. The Contractor shall increase the coverage limits as necessary to reflect changes in the estimated replacement cost.

C. **Cancellation and Expiration Notice.** Contractor shall provide at least 30 Days’ prior written notice to the Town before insurance required herein expires, is canceled, or is materially changed.

3.14 **Performance Bond.** The Contractor shall be required to furnish non-revocable security binding the Contractor to provide faithful performance of this Contract in the amount of one hundred percent (100%) of the total Contract Price payable to the Town. Performance security shall be in the form of a performance bond, certified check, cashier’s check or irrevocable letter of credit. This security must be in the possession of the Engineer within 10 business days after receipt of the executed Agreement from the Town. If the Contractor fails to execute and deliver the security instrument as required, the Contractor may be found in default and this Contract terminated by the Town. In case of default the Town reserves all rights. All performance bonds shall be executed in the form attached hereto as Exhibit I, duly executed by the Contractor as Principal and having as Surety thereon a Surety company approved by the Town and holding a Certificate of Authority to transact surety business in the State of Arizona by the Arizona Department of Insurance. Individual sureties are unacceptable. All Insurers and Sureties shall have, at the time of submission of the performance bond, an A.M. Best’s Key Rating Guide of “A-” or better as currently listed in the most recent Best Key Guide, published by the A.M. Best Company.

3.15 **Payment Bond.** The Contractor shall be required to furnish non-revocable security for the protection of all persons supplying labor and material to the Contractor or any Subcontractor for the performance of any Work related to this Contract. Payment security shall be in the amount of one hundred percent (100%) of the total Contract Price and be payable to the Town. Payment security shall be in the form of a payment bond, certified check, cashier’s check or irrevocable letter of credit. This security must be in the possession of the Engineer within 10 business days after receipt of the executed Agreement from the Town. If the Contractor fails to execute and deliver the security instrument as required, the Contractor may be found in default and this Contract terminated by the Town. In case of default the Town reserves all rights. All payment bonds shall be executed in the form attached hereto as Exhibit I, duly executed by the Contractor as Principal and having as Surety thereon a Surety company approved by the Town and holding a Certificate of Authority to transact surety business in the State of Arizona by the Arizona Department of Insurance. Individual sureties are unacceptable. All Insurers and
Sureties shall have, at the time of submission of the payment bond, an A.M. Best's Key Rating Guide of "A-" or better as currently listed in the most recent Best Key Guide, published by the A.M. Best Company.

3.16 Changes in the Work. The Town may, without invalidating this Contract, order changes in the Work consisting of additions, deletions or other revisions to this Contract and the Contract Price and the Contract Time shall be adjusted as provided below. The Contract Price and/or the Contract Time may only be changed by the Town's written approval authorizing said change, and said changes shall be performed under the applicable conditions of this Contract. The Contract Price shall be adjusted as a result of a change in the Work as follows:

A. Additions. When the Town increases the scope of the Work, Contractor will perform the increased work pursuant to Contractor's unit prices set forth on the Price Sheet.

B. Deletions. When the Town decreases the Work resulting in a decrease in Contractor's quantity of the Work, the Town shall be allowed a decrease in the Contract Price amounting to the quantity of the deleted Work multiplied by the Contractor's unit prices.

C. Estimating. Whenever the Town is considering a change to the Work, Contractor shall promptly, and in any event within five business days, estimate the price of the contemplated additional or deleted Work in good faith and as accurately as is then-feasible. The estimate shall show quantities of labor, material and equipment and shall be pursuant to the rates set forth in the Contractor's Bid.

3.17 Substantial Completion. When the Contractor considers that the Work is Substantially Complete, the Engineer shall prepare and submit to the Contractor a comprehensive list of Punch List items, which the Contractor may edit and supplement. The Contractor shall proceed promptly to complete and correct Punch List items. Failure to include an item on the Punch List does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents. The Town shall determine when the Project and the Contractor's Work is substantially complete. "Substantial Completion" means construction has been completed in accordance with the Contract Documents to the extent that the Town can use or occupy the entire Project, or the designated portion of the Project, for the use intended without any outstanding, concurrent construction at the site, except as may be required to complete or correct Punch List items. A prerequisite for Substantial Completion, over and above the extent of construction completion required, is receipt by the Town of acceptable documentation that Contractor has successfully tested and demonstrated all systems for their intended use. The date of Substantial Completion shall be confirmed by a Certificate of Substantial Completion signed by the Town and Contractor. The Certificate of Substantial Completion signed by the Town and Contractor shall state the respective responsibilities of the Town and the Contractor for security, maintenance, utilities, damage to the Work and insurance. The Certificate of Substantial Completion shall also include the Punch List as created by the Contractor and modified by the Town and establish the time for completion and correction of all Punch List items. If the Town and the Contractor cannot agree as to the appropriate date of Substantial Completion, such issue shall be submitted for dispute resolution in accordance with the procedures set forth in Article III, Part B below. Notwithstanding such disagreement, the Contractor shall diligently proceed with completion of the Punch List items.

3.18 Final Completion. The Town shall determine when the Project and the Contractor's Work is finally completed. "Final Completion" means completion of the Project by the Contractor in accordance with the Contract Documents, certified to the Town by the Contractor. Final Completion shall be achieved only upon the Town's written acceptance of (A) the construction, (B) all testing, (C) demonstration by Contractor that the Work functions as required by the Contract Documents and meets all Contract requirements, (D) resolution of all outstanding system deficiencies and Punch List items, if any, (E) delivery of all as-built documentation, drawings, completed record documents (with revisions made after Substantial Completion), annotated submittals and design document deliverables, (F) submittal, acceptance, and delivery of the one hundred percent (100%) complete O&M manuals, (G) delivery of warranties, inspection certificates, bonds and all other required documents, (H) all prerequisites for final payment and (I) submittal of Contractor's request for final payment and acceptance enclosing all required documentation. Upon Final Completion the Engineer shall issue a Certificate of Final Completion to
the Contractor on behalf of the Town. Following receipt of payment from the Town, the Contractor shall make all payments due to the Subcontractors.

3.19 Payments to Contractor. Payment shall be conditioned upon Contractor’s compliance with the payment terms and conditions set forth below. Contractor expressly acknowledges and agrees that (A) the Contract Price is an estimated amount based upon an engineer’s estimate of the quantities of the Materials deemed necessary to perform the Work and (B) the amount of any payment to be made pursuant to this Contract shall be determined by the field-measured quantities of Materials actually installed by Contractor. Material or equipment delivered to the Project by or on behalf of Contractor shall not constitute material or equipment furnished in the performance of the Work until same has been incorporated into the improvements constituting the Project. Payment shall not constitute acceptance by the Town or evidence thereof of any Work performed.

A. Progress Payments.

1. On or before the 15th day of each month after construction has commenced, the Contractor shall submit to the Town an application for payment consisting of the cost of the Work performed up to the end of the prior month, including the cost of material stored on the site or at other locations approved by the Town. The application shall be deemed approved and certified for payment seven Days after it is submitted unless before that time the Town prepares and issues a specific written finding setting forth those items in detail that are not approved for payment under this Contract. Prior to submission of the next application for payment, the Contractor shall make available at the request of the Town a statement accounting for the disbursement of funds received under the previous application for purposes of auct. The extent of such statement shall be as agreed upon between the Town and Contractor.

2. Within 14 Days after approval of each monthly application for payment, the Town shall pay directly to the Contractor the appropriate amount for which application for payment is made, less amounts (a) previously paid by the Town, (b) sufficient to pay expenses the Town reasonably expects to incur in correcting deficiencies which are set forth in writing and provided to the Contractor and (c) any retainage as set forth in Subsection 3.19(B) below.

3. The Town’s progress payment, occupancy or use of the Project, whether in whole or in part, shall not be deemed as acceptance of any Work not conforming to the requirements of this Contract.

4. Upon Substantial Completion of the Work, the Town shall pay the Contractor the unpaid balance of the cost of the Work, less a sum equal to the Contractor’s estimated cost of completing any unfinished items as agreed to between the Town and the Contractor as to extent and time for Final Completion. The Town thereafter shall pay the Contractor monthly the amount retained for unfinished items as each item is completed.

B. Retainage. With respect to the Work, the Town shall retain ten percent (10%) of the amount of each estimate until Final Completion and acceptance of all Material, equipment and Work covered by this Contract.

1. Any securities submitted by Contractor in lieu of retainage as may be allowed by law, shall be deposited in an escrow account by the Town. The Town shall be listed as payee or multiple payees with Contractor on all such securities.

2. When the Work is fifty percent (50%) completed, one-half of the amount retained including any securities substituted pursuant to Subsection 3.19(B)(1) shall be paid to the Contractor upon the Contractor’s request, provided the Contractor is making satisfactory progress on the Work and there is no specific cause or claim requiring a greater amount to be retained. After the construction Work is fifty percent (50%) completed, no more than five percent (5%) of the amount of any subsequent progress payments made under this Contract may be retained, provided the Contractor is making satisfactory
progress on the Project. If, at any time, the Town determines satisfactory progress is not being made, ten percent (10%) retention shall be reinstated for all progress payments made under this Contract after the determination.

C. Payment for On-site and Off-site Stored Materials. Payment shall be made on account of Materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. Payment may similarly be made for Materials and equipment suitably stored off the site, conditioned upon the Contractor furnishing evidence to the Town that (1) title to the Materials and equipment will pass to the Town upon payment therefore, (2) the Materials and equipment are adequately safeguarded and insured, including during transit from the off-site location to the Project site and (3) such other matters as the Town may reasonably request in order to protect its interests. With the prior, written approval of the Town, Contractor may advance order the bulk delivery of Materials to be incorporated into the Work over the course of this Contract. Upon delivery and receipt of supplier invoice, the Town shall pay for the bulk delivery, either directly to the Contractor or to the vendor or by joint check to Contractor and vendor, and shall receive a full release for the amount paid from vendor and Contractor. Contractor agrees to assume full responsibility for the safekeeping of all such Materials and shall guarantee to the Town that such Materials shall remain safe from theft or damage from any and all causes (unless caused by the sole negligence of the Town). Contractor shall immediately replace, repair or restore said Materials to their original condition so as to not cause any delay in the Work, and Contractor shall indemnify and hold harmless the Town for, from and against any and all loss, cost, liability or expense resulting from any loss or damage to any of the Materials described herein from any cause unless due to the Town’s sole negligence. Should the Town have reason to believe Contractor is not properly safeguarding any of the Materials, the Town shall have the right, but not the affirmative duty, to immediately take such steps as it deems necessary to do so, including removing Contractor from the job, replacing any Materials or expending any sums to properly carry out Contractor’s responsibility hereunder, and any amounts so expended shall be billed back to Contractor or deducted from any sums then or thereafter due to Contractor. Contractor shall fully insure all Materials stored on site as required by the Town, and if such insurance is not obtained due to a lack of insurable interest, the Town shall have the right to obtain such insurance and charge the amount thereof back to Contractor or deduct said amount from any funds then or thereafter due to Contractor.

D. Title to Construction Work. The Contractor warrants that title to all Work covered by an application for payment shall pass to the Town no later than the time of payment. The Contractor further warrants that upon submittal of an application for payment, all Work for which applications for payment have been previously issued and payments received from the Town shall be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, Materials and equipment relating to the Work.

E. Final Payment.

1. Final payment, consisting of the unpaid balance of the cost of the Work shall be due and payable at Final Completion and acceptance by the Town. Before issuance of final payment, the Town may request satisfactory evidence that all payrolls, Materials bills and other indebtedness connected with the Work have been paid or otherwise satisfied.

2. In making final payment the Town waives all claims except for:
   
a. Outstanding liens.
   
b. Improper workmanship or defective Materials.
   
c. Work not in conformance with this Contract or Work not completed.
   
d. Terms of any special warranties required by this Contract.
e. Delivery to Town of all warranties, operation and maintenance manuals, “AS-BUILT” record drawings and other documents as required by this Contract.

f. Right to audit Contractor records for a period of three years.

g. Claims previously made in writing and which remain unsettled.

3. Acceptance of final payment by the Contractor shall constitute a waiver of affirmative claims by the Contractor, except those previously made in writing and identified as unsettled at the time of final payment.

F. Warranty. Contractor or its assignee shall give to the Town a one-year warranty against deficiencies in material and workmanship for all Work on the Project or other such warranty as required by the Town Engineer, which warranty shall begin on the date that the Town accepts the Work as provided in this Section. Any material deficiencies in material or workmanship identified by Town staff during the one-year warranty period shall be brought to the attention of the Contractor or its assignee that provided the warranty, which shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of the Town Engineer. Continuing material deficiencies in a particular portion of the Work shall be sufficient grounds for the Town to require (1) an extension of the warranty for an additional one-year period and (2) the proper repair of or the removal and reinstatement of, that portion of the Work that is subject to such continuing deficiencies. Regardless of whether the applicable warranty period has expired, the Contractor agrees to repair any damage to the Work caused by Contractor’s construction activities on the Property. Nothing contained herein shall prevent the Town or Contractor from seeking recourse against any other third party for damage to the Work caused by such third party.

3.20 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for damages that have been reduced to a judgment resulting from breach or deficiencies in performance or breach of any obligation under this Contract.

B. Offset for Delinquent Fees or Taxes. The Town may offset from any money due to the Contractor any amounts Contractor owes to the Town for delinquent fees, transaction privilege use taxes and property taxes, including any interest or penalties.

PART B - PERFORMANCE OF THE WORK

3.21 Project Video. The Contractor, in the presence of the Town’s inspector, shall make a video recording (CVC format, indexed) of the Project area located in or immediately adjacent to Town right-of-way prior to commencing any construction activities. The Contractor and Town’s Inspector will review the video for completeness, immediately after recording and any areas that are not clearly covered and defined, shall be re-recorded. The Contractor shall submit one copy of the video to the Town’s Inspector. All costs associated with the Project videotape produced in accordance with this Section shall be deemed incidental.

3.22 Soil and Subsurface Conditions. In addition to conformance to MAG Specifications, Section 102.4 (Examination of Plans, Special Provisions and Site of Work), the Contractor shall make its own determinations as to the soil and subsurface conditions, including rock, caliche and ground water and shall complete the Work in whatever material and under whatever conditions may be encountered or created, without extra cost to the Town.

3.23 Work Scheduling. Time is of the essence for this Contract. Contractor shall provide the Engineer with any requested scheduling information and a proposed schedule for performance of the Work within the Contract Time in a form acceptable to the Engineer and approved by the Engineer, in his sole and absolute discretion, providing for commencement and completion of the Work (the “Schedule”). The Schedule shall
include the date for Substantial Completion of the Work. The Engineer may revise the Schedule during the course of the Work. Contractor, to induce the Town to enter into this Contract, has and does hereby agree to fully perform and complete the Work for the Contract Price within the Schedule.

3.24 Contractor's Representative. The Contractor or his authorized representative shall be present at the Work site at all times during working hours. Instructions and information provided by the Engineer to the Contractor's representative shall be considered as having been given to the Contractor.

3.25 Prosecution of the Work. The Contractor shall prosecute the Work so that the portion of the Work completed at any point in time shall be not less than as required by the Schedule. If the delay is an Inexcusable Delay, as defined below, the Contractor shall prepare a recovery schedule for the Engineer's review and approval, showing how the Contractor will compensate for the delays and achieve Substantial Completion by the date(s) shown on the Schedule. If the Contractor is unable to demonstrate how it will overcome Inexcusable Delays, the Engineer may order the Contractor to employ such extraordinary measures as are necessary to bring the Work into conformity with the Substantial Completion date(s) set forth therein, the costs of which shall be included as part of the Cost of the Work. If the delay is an Excusable Delay, as defined below, the Engineer shall either (A) authorize an equitable extension in the Schedule to account for such delay, and equitably adjust the contract sum on account of such delay or (B) request that the Contractor prepare a recovery schedule showing how (if possible) the Contractor can achieve Substantial Completion by the applicable date shown on the Schedule, and equitably adjust the Contract Price in accordance with the provisions of this Contract on account of any extraordinary activities required of the Contractor on account of such recovery schedule.

3.26 Extensions of Time.

A. Allowable Extensions. An extension in the scheduled date of Substantial Completion will only be granted in the event of Excusable Delays affecting the Schedule for the Work. The Contractor shall be entitled to general condition costs and extra costs related to the Excusable Delay for idle labor, equipment inefficiency and lost productivity of the performance of the Work. The Contractor must submit evidence reasonably satisfactory to the Town substantiating such costs. Such adjustment to the Price and Substantial Completion date shall be issued in a Change Order or Contract amendment, as applicable.

B. Excusable Delay. To the extent any of the following events results in an actual delay in the Work, such shall constitute an “Excusable Delay” (to the extent not set forth below, a delay will be considered an “Inexcusable Delay”):

1. Delays resulting from Force Majeure.

2. Differing, unusual or concealed site conditions that could not reasonably have been anticipated by the Contractor in preparing the Schedule, including, without limitation, archaeological finds and unusual soil conditions (including rock or other geological conditions), underground foundations, abandoned utility lines and water conditions.

3. Delays resulting from the existence or discovery of Hazardous Materials on the Site not brought to the Site by the Contractor.

4. Delays resulting from changes in Applicable Laws occurring after the date of execution of this Contract.

5. Delays occurring due to the acts or omissions of the Town and those within the control of the Town.

6. Delays occurring due to the acts or omissions of a utility, so long as Contractor has coordinated with the utility causing the delay and the delay occurs despite reasonable steps taken by Contractor to avoid the delay.
7. Delays resulting from weather conditions that make it unreasonable to perform the Work in accordance with the Schedule; provided, however, that Contractor’s Schedule shall be deemed to include three Days for weather delays (the “Expected Delay Days”), regardless of whether such weather delays are specifically set forth in the Schedule. Contractor shall notify the Town within 24 hours in writing of a weather-related delay. If Contractor fails to give the required 24-hour notice, no such weather delay will be subtracted from the Expected Delay Days. Weather delays shall not be deemed “Excusable” unless all of the Expected Delay Days have been exhausted.

8. Delays resulting from Additional Work (defined below) that cannot be performed concurrently with the Work on the Schedule.

C. Required Notice. In order to obtain an extension of time due to an Excusable Delay, the Contractor shall comply with the following requirements. The Contractor shall notify the Engineer in writing of the Excusable Delay as soon as practicable, but in no event more than seven Days after the Contractor becomes aware of the occurrence of the Excusable Delay. Such notice shall describe the Excusable Delay and shall state the approximate number of Days the Contractor expects to be delayed. After the cessation of the Excusable Delay, the Contractor shall notify the Engineer of the number of Days the Contractor believes that its activities were in fact delayed by the Excusable Delay. In the event that the delay arises as a result of a Change Order request by the Town, the request for an extension of time contained in the resulting Change Order proposal shall be deemed sufficient for purposes of this Subsection.

D. Determination. Within 10 Days after cessation of an event giving rise to either an Excusable Delay or Inexcusable Delay, the parties will use good faith efforts to agree on the extent to which the Work has been delayed and whether the delay is an Excusable Delay or an Inexcusable Delay. In the absence of agreement between the parties as to the then-current status of Excusable Delays and Inexcusable Delays, the Engineer will provide the Contractor with written notice of Engineer’s determination of the respective number of Days of Excusable Delay and/or Inexcusable Delay. The Engineer’s determination may be issued at such time as the Engineer deems reasonable, but not later than 10 Days after receipt by the Engineer of the Contractor’s written request for such determination. The Contractor shall not, however, deem an issuance by the Engineer of such a determination to be a concurrence of the matters set forth in the Contractor’s request. The Contractor may invoke the dispute resolution procedures set forth in Part D below with respect to such determination.

E. Concurrent Delay. To the extent the Contractor is entitled to an extension of time due to an Excusable Delay, but the performance of the Work would have been suspended, delayed or interrupted by the fault or neglect of the Contractor or by an Inexcusable Delay, the Contractor shall not be entitled to any additional costs for the period of such concurrency.

3.27 Liquidated Damages. It is expressly understood that should Contractor fail to complete the Work covered hereby within the Contract Time, the Contractor agrees to pay and shall pay to the Town upon request therefore for each Day of delay beyond the original or revised scheduled time of completion of Contractor’s Work as liquidated damages, and not as a penalty, in the amount per day as set forth in MAG Specifications for each Day of delay.

A. Prior to Termination. If this Contract is not terminated, the Contractor shall continue performance and be liable to the Town for the liquidated damages until the Work is complete.

B. After Termination. In the event the Town exercises its right of termination, the Contractor shall be liable to the Town for any excess costs and, in addition, for liquidated damages until such time as the Town may reasonably obtain delivery or performance of similar Services.
3.28 Suspension by the Town for Convenience.

A. Town Determination. The Town may order the Contractor in writing to suspend, delay or interrupt all or any part of the Work without cause for such period of time as the Town may determine to be appropriate for its convenience.

B. Contract Adjustments. 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 the Town in the administration of this Contract, or by its failure to act within the time specified in this Contract (or if no time is specified, within a reasonable time), an adjustment shall be made for any increase in cost of performance of this Contract 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 (1) to the extent that performance was suspended or delayed for any other cause, including the fault or negligence of the Contractor, or (2) for which a change order is executed.

3.29 Termination by the Town for Convenience. The Town may, upon 30 Days’ written notice to the Contractor, terminate this Contract, in whole or in part, for the convenience of the Town without prejudice to any right or remedy otherwise available to the Town. Upon receipt of such notice, the Contractor shall immediately discontinue all Services affected unless such notice directs otherwise. In the event of a termination for convenience of the Town, the Contractor’s sole and exclusive right and remedy shall be payment for all Work performed through the date of termination. The Contractor shall not be entitled to be paid any amount as profit for unperformed Services or consideration for the Town’s termination by convenience.

3.30 Termination by the Town for Cause.

A. Default; Cure. If the Contractor refuses or fails to supply sufficient properly skilled staff or proper Materials, or disregards laws, ordinances, rules, regulations, or orders of any public authority jurisdiction, or otherwise substantially violates or materially breaches any term or provision of this Contract, and such nonperformance or violation continues without cure for 15 Days after the Contractor receives written notice of such nonperformance or violation from the Town, then the Town may, without prejudice to any right or remedy otherwise available to the Town, terminate this Contract.

B. Substitute Performance. Upon termination of this Contract by the Town, the Town shall be entitled to furnish or have furnished the Services to be performed hereunder by the Contractor by whatever method the Town may deem expedient. Also, in such case, the Contractor shall not be entitled to receive any further payment until completion of the Work, and the total compensation to the Contractor under this Contract shall be the amount that is equitable under the circumstances. If the Town and the Contractor are unable to agree on the amount to be paid under the foregoing sentence, the Town shall fix an amount, if any, that it deems appropriate in consideration of all of the circumstances surrounding such termination, and shall make payment accordingly. The Contractor may dispute the Town’s assessment of the termination amount pursuant to the dispute resolution process set forth in Part D of this Contract.

C. Contractor Insolvency. Upon the appointment of a receiver for the Contractor, or if the Contractor makes a general assignment for the benefit of creditors, the Town may terminate this Contract, without prejudice to any right or remedy otherwise available to the Town, upon giving three business days’ written notice to the Contractor. If an order for relief is entered under the bankruptcy code with respect to the Contractor, the Town may terminate this Contract by giving three business days’ written notice to the Contractor unless the Contractor or the trustee completes all of the following:

1. Promptly cures all breaches within such three-day period.
3. Compensates the Town for actual pecuniary loss resulting from such breaches.

4. Assumes the obligations of the Contractor within the established time limits.

3.31 **Termination Due to Work Stoppage.** This Contract may be terminated by the Town upon 30 days’ written notice to Contractor in the event that the Services are permanently abandoned. If Contractor abandons the Services without the consent of the Town, Contractor shall be liable for all actual, incidental and consequential damages arising from or related to said abandonment, including, but not limited to: (A) the difference between the cost of a replacement Contractor to complete the Services and the contract price for Contractor under this Contract; and (B) any additional charges, costs, fees or expenses for labor, materials or professional services incurred by the Town as a result of delays caused by abandonment of the Services by Contractor. The Town shall use its best efforts to replace Contractor within a reasonable time.

3.32 **Contract Subject to Appropriation.** The Town is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Town’s then current fiscal year. The Town’s obligations under this Agreement are current expenses subject to the “budget law” and the unfettered legislative discretion of the Town concerning budgeted purposes and appropriation of funds. Should the Town elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the Town shall be relieved of any subsequent obligation under this Agreement. The parties agree that the Town has no obligation or duty of good faith to budget or appropriate the payment of the Town’s obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The Town shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The Town shall keep Contractor informed as to the availability of funds for this Agreement. The obligation of the Town to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the Town. Contractor hereby waives any and all rights to bring any claim against the Town from or relating in any way to the Town’s termination of this Agreement pursuant to this Section.

3.33 **Obligations Upon Receipt of Termination Notice.** Upon receipt of a notice of termination as set forth above, Contractor shall (A) immediately discontinue all Services affected (unless the notice directs otherwise), and (B) deliver to the Town copies of all data, reports, calculations, drawings, specifications and estimates entirely or partially completed, together with all unused materials supplied by the Town, related to the Services including any completed divisible part of the Services which can be deemed to stand alone (the completed divisible parts of the Services will be determined by both parties at the time of termination). Such termination shall not relieve Contractor of liability for errors and omissions. Any use of incomplete documents for the Services or for any other project without the specific written authorization by Contractor will be without liability or legal exposure to Contractor. Contractor shall appraise the work it has completed and submit the appraisal to the Town for evaluation.

3.34 **Additional Work, Materials and/or Overtime.** Contractor expressly agrees that if overtime or additional workers or materials are necessary to meet the Schedule, that such overtime will be performed or additional workers or materials will be procured by the Contractor, and the additional expense thereof shall be borne by Contractor unless the delay requiring overtime was directly caused by the Town, in which event Contractor shall be entitled to compensation for such overtime Work. If the Town requests Contractor to perform additional Work in connection with the Project ("Additional Work"), Contractor shall charge the Town a negotiated fixed amount for the Additional Work. In the event a fixed amount cannot be negotiated, Contractor shall invoice the Town on a time and materials basis for the Additional Work at the unit prices set forth in the price sheet.

3.35 **No Damage for Delay or Additional Work by the Town.** Contractor shall adjust its operations to conform to any progress schedule changes and hereby waives and releases the Town from any liability for damages or expenses that may be caused to or sustained by Contractor by reason of such changes or by reason of delays in the Work, whether caused in whole or in part by conduct on the part of the Town, including without
limitation, any breach of this Contract or delays by other contractors or Subcontractors. Contractor’s exclusive remedy in the event of delay or Additional Work by the Town shall be an extension of time hereunder to complete the Work.

3.36 Risk of Loss. Contractor shall assume the risk of loss occasioned by fire, theft or other damage to Materials, machinery, apparatus, tools and equipment relating to the Work prior to actual installation in final place on the Project and acceptance by the Town. Contractor shall be responsible for damage to the Materials, machinery, apparatus, tools, equipment and property of the Town and other contractors resulting from the acts or omissions of its Subcontractors, employees, agents, representatives Subcontractors, and for payment of the full costs of repair or replacement of any said damage.

3.37 Protection of Finished or Partially Finished Work. The Contractor shall properly guard and protect all finished or partially finished Work and shall be responsible for the same until the entire Contract is completed and accepted by the Engineer. The Contractor shall turn over the entire Work in full accordance with this Contract before final settlement shall be made.

3.38 Character and Status of Workers. Only skilled foremen and workers shall be employed on portions of the Work requiring special qualifications. When required by the Engineer, the Contractor shall discharge any person who is, in the opinion of the Engineer, disorderly, dangerous, insubordinate, incompetent or otherwise objectionable. The Contractor shall indemnify and hold harmless the Town from and against damages or claims for compensation that may occur in the enforcement of this Section. The Contractor shall be responsible for ensuring the legal working status of its employees and its Subcontractors’ employees. The Contractor agrees that once assigned to Work under this Contract, Key Personnel will not be removed or replaced without written notice to the Town. If Key Personnel are not available for Work under this Contract for a continuous period exceeding 30 Days, or are expected to devote substantially less effort to the Work than initially anticipated, the Contractor shall immediately notify the Town and shall, subject to the concurrence of the Town, replace such personnel with personnel of substantially equal ability and qualifications.

3.39 Work Methods. The methods, equipment and appliances used on the Work shall be such as will produce a satisfactory quality of Work, and shall be adequate to complete this Contract within the Contract Time. Except as is otherwise specified in this Contract, the Contractor’s procedure and methods of construction may, in general, be of its own choosing, provided such methods (A) follow best general practice and (B) are calculated to secure results which will satisfy the requirements of this Contract. The Work covered by this Contract shall be carefully laid out in advance and performed in a manner to minimize interference with normal operation and utilization of the Town’s right-of-way. The Contractor shall exercise caution during the course of this Work to avoid damage to all known existing or possible unknown existing underground utilities. It shall conduct its operations in such a manner as to avoid injury to its personnel and to avoid damage to all utilities. Any damage done will be repaired without delay and at the expense of the Contractor.

3.40 Safety Fencing Requirement for Trenches and Excavations. The Contractor shall provide safety construction fencing around all open trenches and excavations during all non-working hours. In addition, the Contractor shall provide safety fencing around the Project site during working hours in order to ensure public safety. The Contractor shall provide for the safety and welfare of the general public by adequately fencing all excavations and trenches that are permitted by the Engineer to remain open when construction is not in progress. Fencing shall be securely anchored to approved steel posts located not less than six feet on center, having a minimum height of six feet, and shall consist of wire mesh fabric of sufficient weight and rigidity to adequately span a maximum supporting post separation of six feet. The fencing, when installed about the periphery of excavations and trenches, shall form an effective barrier against intrusion by the general public into areas of construction. The Contractor, at all times when construction is not in progress, shall be responsible for maintaining the fencing in good repair, and upon notification by the Engineer, shall take immediate action to rectify any deficiency. Prior to the start of any excavation or trenching required for the execution of the proposed Work, the Contractor shall submit to the Engineer for approval, detailed plans showing types of materials and methods of fabrication for the protective fencing. There will be no separate measurement or payment for furnishing, installing,
or maintaining protective fencing. The cost shall be considered incidental to the cost of the pipe, bridge, and any other structures for which trenching is necessary.

3.41 Plans and Shop Drawings, Samples and Substitution of Materials. All submittals shall conform to MAG Specifications, Section 105.2 (Plans and Drawings). Contractor shall furnish, within three business days following request therefore by the Town, detailed drawings of the Work, samples of Materials and other submittals required for the performance or coordination of the Work. Substitutions shall be equal or superior to Materials specified in the Contract Documents, shall be clearly identified on submittals as “proposed substitutions” and shall be approved by the Town in accordance with Section 2.4 above. Contractor shall be fully responsible for the adequacy, completeness and promptness of all such submittals. Materials shall not be furnished to the jobsite unless same is in strict compliance with the Specifications or otherwise approved in writing by the Town. Approval by the Town shall not relieve Contractor of full responsibility for compliance with scope, intent and performance in accordance with this Contract.

3.42 Cooperation with Utilities. The Contractor shall comply with the requirements of MAG Specifications 105.6, modified as follows:

A. Locating; Protecting. It is the Contractor’s sole responsibility to verify the presence and location of any and all existing overhead and/or underground utilities that may interfere with construction. It is the Contractor’s sole responsibility to adequately protect and maintain any such utilities, at no additional cost to the Town, whether or not said utilities are shown on construction plans. This may include, but is not limited to, coordinating, potholing and monitoring as directed by the individual utility companies.

B. Damage. The Contractor shall be responsible for any and all damage that may be incurred to the utilities and be liable for any repair costs including incidental costs.

C. Delays; Relocation Costs. The Contractor shall not hold the Town liable due to delays and/or responsible for damages to utilities in conjunction with this construction. The Town will not participate in the cost of construction for utility relocation.

D. Blue Stake; Potholing. Contractor shall comply with the Arizona Revised Statutes regarding “Blue Stake” and pothole activities as applicable. The Contractor shall be responsible for contacting the owner of each utility in conflict and for making all necessary arrangements for relocating, repairing or abandoning the utility or facility as required by the utility owner.

E. Field Location. The Contractor shall be the Town’s Blue Stake field locator and perform all requirements as prescribed in ARIZ. REV. STAT. §§ 40-360 (21) through (29) for all underground facilities that have been installed by the Contractor on the current Project, until the Project is accepted by the Town. At least two days prior to commencing excavation, the Contractor shall call Blue Stake Center, between the hours of 7:00 a.m. and 4:30 p.m., Monday through Friday for information relative to the location of buried utilities.

3.43 Sampling and Testing. Sampling and testing shall conform to the requirements of the MAG Specifications, Section 106.

3.44 Cooperation between Contractors. In addition to conformance with the requirements of MAG Specifications, Section 105.7, Contractor shall be responsible for arranging and coordinating construction of all applicable work specified to be done “by others” on the construction plans.

3.45 Outdoor Construction Time Restrictions. Unless otherwise permitted by the Engineer, construction will be restricted as listed in the following table:

<table>
<thead>
<tr>
<th>May 1 – October 31</th>
<th>November 1 – April 30</th>
</tr>
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<tbody>
<tr>
<td>5:00 a.m. to 7:00 p.m.</td>
<td>6:00 a.m. to 7:00 p.m.</td>
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</tbody>
</table>
Construction Work shall not begin Work prior to 7:00 a.m. and shall stop by 7:00 p.m. on Saturdays, Sundays and all Town, State and Federal holidays.

3.46 Construction Survey. Construction survey and as-built record drawings shall conform to the requirements of the MAG Specifications, Section 105.8 (Construction Stakes, Lines and Grades).

3.47 Survey Control Points. Existing survey markers (either brass caps or iron pipes) shall be protected by the Contractor or removed and replaced under direct supervision of the Engineer. Survey monuments shall be constructed to the requirements of MAG Specifications, Section 405. Lot corners shall not be disturbed without knowledge and consent of the property owner. The Contractor shall replace benchmarks, monuments or lot corners moved or destroyed during construction at no expense to the Town. Contractor and its sureties shall be liable for correct replacement of disturbed survey benchmarks except where the Town elects to replace survey benchmarks using its own forces.

3.48 Stockpile of Materials.

A. Engineer Approval. The Contractor may, if approved by the Engineer, place or stockpile Materials in the public right-of-way provided such Materials do not prevent access to adjacent properties or prevent compliance with traffic regulations.

B. No Traffic Interference. Traffic shall not be required to travel over stockpiled Materials and proper dust control shall be maintained.

3.49 Excess Materials. When excavations are made, resultant loose earth shall be (A) utilized for filling by compacting in place or (B) disposed of off-site. Excess or unsuitable material, broken asphaltic concrete and broken portland cement concrete excavated from the right-of-way shall be removed from the Project Site and disposed of by the Contractor. Disposal of material within the Town Limits or Planning Area must be approved by the Engineer. Waste material shall not be placed on private property without express permission of the property owner. The Contractor shall, at all times, keep the premises free from accumulation of waste materials or rubbish caused by its operations. At the completion of the Work, Contractor shall remove all equipment, tools and surplus materials, and shall completely clean the premises, removing and disposing of all debris and rubbish and cleaning all stains, spots, marks, dirt, smears or other blemishes. When the Work premises are turned over to the Town, they shall be thoroughly clean and ready for immediate use. Clean-up shall include removal of all excess pointing mortar materials within pipes and removal of oversized rocks and boulders left after finish grading. The Contractor shall provide for the legal disposal of all waste products and debris and shall make necessary arrangements for such disposal.

3.50 Dust Control and Water.

A. Dust Control. Contractor shall implement dust control measures in accordance with MAG Specifications, Section 104.1, and as follows:

1. Air Pollution Requirements:

   a. The Contractor shall be responsible for dust control related to the Project construction and shall take whatever means necessary to control any abnormal conditions.

   b. The Contractor shall provide adequate means for cleaning trucks and/or other equipment of mud prior to entering public streets and take whatever measures are necessary to insure that all roads are maintained in a clean, mud and dust free condition at all times.

   c. Temporary drainage control measures may be required during and after construction until final lot build-out in accordance with the approved plans and in accordance with any established or required Best Management Practices ("BMP") as part of the National Pollution...
Discharge Elimination System ("NPDES") permit requirements. It is the Contractor’s responsibility to meet all requirements.

d. The Contractor is responsible to obtain all air quality permits.

e. The Contractor shall submit to the Town a copy of its approved county dust control plan, erosion control plan and permit prior to the start of Work.

f. The Contractor is responsible for maintaining dust control at all times including off-hours and weekends. Work site must be kept debris free. Tracking dirt onto streets is not allowed and if it occurs it must be cleaned immediately. Gravel track-out pads or other approved BMP shall be used where applicable.

2. The Contractor shall be responsible for daily and final cleanup operations of adjacent, existing paved streets used by construction traffic. This Work includes daily street sweeping, power broom and water as needed or directed by the Town.

B. Town Water Use.

1. When Town water is used, access must be from an approved fire hydrant. Water must be metered through a Town hydrant meter. Requests for meters must be submitted by application through the Town’s Utility Department. The Town reserves the right to refuse issuance of hydrant meters for any reason including seasonal/regional demands. Town approved backflow prevention devices shall be required on all tank hook-ups or other storage/delivery systems as deemed necessary.

2. Installation and removal of fire hydrant meters should be scheduled at least three business days in advance through the Town Utility Department. Watering shall conform to the provisions of MAG Specifications, Subsection 104.1.3. A deposit and installation fee in amounts set forth in the Town’s fee schedule is required for each meter. The cost of the water is at the prevailing rate.

3. If available and feasible, the Contractor shall make arrangements to use irrigation water for construction purposes. Temporary irrigation water holding ponds must be lined with an impervious lining system (PVC sheeting) and also be secured and enclosed for safety purposes with at least a six foot high chain link fence.

3.51 Temporary Sanitary Facilities. The Contractor shall provide ample toilet facilities with proper enclosures for the use of workers employed on the Work site. Toilet facilities shall be installed and maintained in conformity with all applicable State and local laws, codes, regulations and ordinances and shall be properly lit and ventilated, and kept clean at all times. Adequate and satisfactory drinking water shall be provided at all times and under no circumstances and under no conditions will the use of common cups be permitted. The Contractor must supply sanitary drinking cups for the benefit of all employees.

3.52 Electric Power, Water and Telephone. Unless otherwise specified, the Contractor shall make its own arrangements for electric power, water and telephone. Subject to the convenience of the utility, it may be permitted to connect to existing facilities where available, but Contractor shall meter and bear the cost of such power or water, and installation and disconnect of such power, water and telephone services.

3.53 Energized Aerial Electrical Power Lines. Utility companies may maintain energized aerial electrical power lines in the immediate vicinity of this Project. Contractor shall not presume any such lines to be insulated. Construction personnel working in proximity to these lines may be exposed to an extreme hazard from electrical shock. Contractor shall ensure that its employees and all other construction personnel working on this Project are warned of the danger and instructed to take adequate protective measures, including maintaining a minimum ten feet of clearance between the lines and all construction equipment and personnel. (see: OSHA Std. 1926.550 (a) 15, as amended). As an additional safety precaution, Contractor shall call the affected utility companies to arrange, if possible, to have these lines de-energized or relocated when the Work reaches their
immediate vicinity. The cost of such temporary arrangements shall be borne by the Contractor. Contractor shall account for the time necessary to cause such utility disconnection in the preparation of its Bid. Electrical utility companies may maintain energized underground electrical power lines in the immediate vicinity of this Project. These power lines represent an extreme hazard of electrical shock to any construction personnel or equipment coming in contact with them. Arizona law requires all parties planning excavations in public rights-of-way to contact all utility firms for locations of their underground facilities. Contractor shall ensure that its employees and all other personnel working near any underground power lines must be warned to take adequate protective measure. (see: OSHA Std. 1926-651 (A), as amended).

3.54 Site Clean Up. Contractor shall at all times, but not less than daily unless otherwise agreed by Town Representative, keep the premises on which the Work is being performed clean and free from accumulation of any waste materials, trash, debris and excess dirt, and at all times shall remove Contractor’s implements, machinery, tools, apparatus and equipment from the jobsite when not needed on the jobsite. Should the Town Representative find it necessary in his/her opinion to employ help to clean up, remove or store any of the foregoing due to failure of Contractor to do so, the expense thereof shall be charged to Contractor. Verbal notice from the Town Representative on clean-up or removal is considered adequate notice hereunder, and failure to conform with his/her request within 24 hours thereof will be construed as a breach of this Contract by the Contractor and such charges will be made against Contractor’s account as are necessary to accomplish the clean-up or removal. The cost of cleanup, removal or storage by the Town, if not deducted by the Town from monies due Contractor, shall be paid by Contractor within five business days of written demand by the Town.

3.55 Use of the Site. Contractor shall at all times comply fully with all laws, orders, citations, rules, regulations, standards and statutes with respect to occupational health and safety, the handling and storage of hazardous materials, accident prevention and safety equipment and practices, including any accident prevention and safety program of the Town; provided, however, that the Town shall not be required to impose any safety requirements or administer any such programs and the review or requirement of any safety plan by the Town shall not be deemed to release Contractor or in any way diminish its liability, by way of indemnity or otherwise, as assumed by it under this Contract. Contractor shall conduct inspections regularly to determine that safe working conditions and equipment exist and accepts sole responsibility for providing a safe place to Work for its employees and employees of its Subcontractors, laborers, suppliers of material and equipment and any other person visiting the Site, for adequacy of and required use of all safety equipment and for compliance herewith. When so ordered, Contractor shall stop any part of the Work that the Town deems unsafe until corrective measures satisfactory to the Town have been taken. Should Contractor neglect to adopt such corrective measures, the Town may so do and deduct the cost from payments due Contractor. Contractor shall timely submit copies of all accident or injury reports to the Town.

3.56 Public Information and Notification. Intentionally omitted.

PART C - MISCELLANEOUS

3.57 Applicable Law; Venue. This Contract shall be governed by the laws of the State of Arizona and suit pertaining to this Contract may be brought only in courts in Yavapai County, Arizona.

3.58 Conflict of Interest. This Contract is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Contract without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Contract on behalf of the Town or any of its departments or agencies is, at any time while this Contract or any extension of this Contract is in effect, an employee of any other party to this Contract in any capacity or a consultant to any other party of this Contract with respect to the subject matter of this Contract.

3.59 Contract Amendments. This Contract may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Contractor; provided, however, that Change Orders may be issued and approved administratively by the Town when such changes do not alter the Contract Price.
3.60 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Contract will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Contract will promptly be physically amended to make such insertion or correction.

3.61 Severability. The provisions of this Contract are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Contract which may remain in effect without the invalid provision or application.

3.62 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Contractor, its employees and subcontractors are not entitled to workers’ compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. The Contractor, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Contractor meets the requirements of its agreed scope of work and the Specifications and Plans/Construction drawings as set forth in Section 2.1 above and Exhibit A. Contractor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Contractor do not intend to nor will they combine business operations under this Agreement.

3.63 Entire Agreement; Interpretation-Parol Evidence. This Contract represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Contract are hereby revoked and superseded by this Contract. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Contract. This Contract shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Contract. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Contract.

3.64 Assignment; Delegation. No right or interest in this Contract shall be assigned or delegated by Contractor without prior, written permission of the Town, signed by the Town Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Contract by Contractor.

3.65 Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the Materials, Services or construction specified herein without the prior, written approval of the Town. The Contractor is responsible for performance under this Contract whether or not Subcontractors are used.

3.66 Rights and Remedies. No provision in this Contract shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Contract. The failure of the Town to insist upon the strict performance of any term or condition of this Contract or to exercise or delay the exercise of any right or remedy provided in this Contract, or by law, or the Town’s acceptance of and payment for Materials or Services, shall not release the Contractor from any responsibilities or obligations imposed by this Contract or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Contract.

3.67 Attorneys’ Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys’ fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.
3.68 Notices and Requests. Any notice or other communication required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:

Town of Chino Valley
202 North State Route 89
Chino Valley, Arizona 86323
Attn: Town Manager

With copy to:

GUST ROSENFIELD P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Attn: Andrew J. McGuire

If to Contractor:

________________________
________________________
Attn:

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party’s counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

3.69 Overcharges by Antitrust Violations. The Town maintains that, in practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the Town any and all claims for such overcharges as to the goods and services used to fulfill this Contract.

3.70 Force Majeure. Except for payment for sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party’s performance of this Contract is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts, injunctions-intervention-acts, or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party, in accordance with Section 3.68, of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this Contract. Force majeure shall not include the following occurrences:

A. Late Delivery. Late delivery of equipment or materials caused by congestion at a manufacturer’s plant or elsewhere, an oversold condition of the market, inefficiencies or similar occurrences.

B. Late Performance. Late performance by a Subcontractor unless the delay arises out of a force majeure occurrence in accordance with this Section 3.70.
Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of the Work by force majeure, then the delayed party shall notify the other party in accordance with Section 3.68 and shall make a specific reference to this Section, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing. The time of Substantial Completion or Final Completion shall be extended by written Contract amendment for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

3.71 Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Contract shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor’s duties under this Contract. Persons requesting such information should be referred to the Town. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under this Contract.

3.72 Records and Audit Rights. To ensure that the Contractor and its Subcontractors are complying with the warranty under Section 3.73 below, Contractor’s and its Subcontractors’ books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Contract, including the papers of any Contractor and its Subcontractors’ employees who perform any Work or Services pursuant to this Contract (all of the foregoing hereinafter referred to as “Records”), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (1) evaluation and verification of any invoices, payments or claims based on Contractor’s and its Subcontractors’ actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of Work under this Contract and (2) evaluation of the Contractor’s and its Subcontractors’ compliance with the Arizona employer sanctions laws referenced in Section 3.73 below. To the extent necessary for the Town to audit Records as set forth in this Section, Contractor and its Subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its Subcontractors’ facilities, from the effective date of this Contract for the duration of the Work and until three years after the date of final payment of any sums due this Contract. Contractor and its Subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this Section. The Town shall give Contractor or its Subcontractors reasonable advance notice of intended audits. Contractor shall require its Subcontractors to comply with the provisions of this Section by insertion of the requirements hereof in any subcontract pursuant to this Contract.

3.73 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its Subcontractors warrant compliance with all Federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Contractor’s or its Subcontractors’ failure to comply with such warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the Town.

3.74 Israel. To the extent ARIZ. REV. STAT. § 35-393 through § 35-393.03 are applicable, the parties hereby certify that they are not currently engaged in, and agree for the duration of this Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in Ariz. Rev. Stat. § 35-393.

3.75 Right to Inspect Plant. The Town may, at reasonable times, inspect the part of the plant or place of business of the Contractor or Subcontractor that is related to the performance of this Contract.

3.76 Warranties. Contractor warrants to the Town that all Materials and equipment furnished shall be new unless otherwise specified and agreed by the Town and that all Work shall be of first class quality, free from faults and defects and in conformance with this Contract. If at any time within one year following the date of Final
Completion and acceptance of the entire Project (or such longer period as may be provided under warranties for equipment or Materials): (A) any part of the Materials furnished in connection with the Work shall be or become defective due to defects in either labor or Materials, or both, or (B) Contractor’s Work or Materials, or both, are or were not in conformance with original or amended Plans and Specifications, or supplementary shop drawings, then the Contractor shall upon written notice from the Town immediately replace or repair such defective or non-conforming Material or workmanship at no cost to the Town. Contractor further agrees to execute any special guarantees as provided by this Contract or required by law. Contractor shall require similar guarantees from all vendors and from all its Subcontractors. Contractor further agrees, upon written demand of the Town and during the course of construction, to immediately re-execute, repair or replace any Work that fails to conform to the requirements of this Contract, whether caused by faulty Materials or workmanship, or both. In the event Contractor shall fail or refuse to make such change upon the Town’s written demand, the Town shall have the right to have such Work re-executed, repaired or replaced, to withhold from or back charge to Contractor all costs incurred thereby.

3.77 Inspection. All Materials and/or Services are subject to final inspection and acceptance by the Town. Materials and/or Services failing to conform to the Specifications of this Contract will be held at Contractor’s risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. Upon discovery of non-conforming Materials or Services, the Town may elect to do any or all of the following by written notice to the Contractor: (A) waive the non-conformance; (B) stop the Work immediately; or (C) bring material or service into compliance and withhold the cost of same from any payments due to the Contractor.

3.78 No Replacement of Defective Tender. Every tender of Materials shall fully comply with all provisions of this Contract. If a tender is made which does not fully conform, this shall constitute a breach of this Contract as a whole.

3.79 Shipment Under Reservation Prohibited. Contractor is not authorized to ship Materials under reservation and no tender of a bill of lading will operate as a tender of the Materials.

3.80 Liens. All Materials, Service or construction shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

3.81 Licenses. Contractor shall maintain in current status all Federal, State and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract. The Town has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Contract.

3.82 Patents and Copyrights. All Services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this Contract are the property of the Town and shall not be used or released by the Contractor or any other person except with the prior written permission of the Town.

3.83 Preparation of Specifications by Persons other than Town Personnel. All Specifications shall seek to promote overall economy for the purposes intended and encourage competition and not be unduly restrictive in satisfying the Town’s needs. No person preparing Specifications shall receive any direct or indirect benefit from the utilization of Specifications, other than fees paid for the preparation of Specifications.

3.84 Advertising. Contractor shall not advertise or publish information concerning this Contract without prior, written consent of the Town.

3.85 Meaning of Terms. References made in the singular shall include the plural and the masculine shall include the feminine or the neuter.
PART D - ALTERNATIVE DISPUTE RESOLUTION

3.86 **Scope.** Notwithstanding anything to the contrary provided elsewhere in the Contract Documents, except for Subsection 3.89(G) below, the alternative dispute resolution ("ADR") process provided for herein shall be the exclusive means for resolution of claims or disputes arising under, relating to or touching upon this Contract, the interpretation thereof or the performance or breach by any party thereto, including but not limited to original claims or disputes asserted as cross claims, counterclaims, third party claims or claims for indemnity or subrogation, in any threatened or ongoing litigation or arbitration with third parties, if such disputes involve parties to contracts containing this ADR provision.

3.87 **Neutral Evaluator, Arbitrators.** The Town will select a Neutral Evaluator to serve as set forth in this ADR process, subject to the Contractor's approval, which approval shall not be unreasonably withheld. In the event that the Town and the Contractor are unable to agree upon a Neutral Evaluator, the neutral evaluation process shall be eliminated and the parties shall proceed with the binding arbitration process set forth in Section 3.89 below. The Town and Contractor shall each select an arbitrator to serve as set forth in this ADR process. Each arbitrator selected shall be a member of the State Bar of the State of Arizona and shall have experience in the field of construction law. None of the arbitrators nor any of the arbitrator's firms shall have presently, or in the past, represented any party to the arbitration.

3.88 **Neutral Evaluation Process.** If the parties have been unable to resolve the disputes after discussions and partnering, but the parties have agreed to a Neutral Evaluator, the following neutral evaluation process shall be used to resolve any such dispute.

A. **Notification of Dispute.** The Town through its Engineer shall notify the Neutral Evaluator in writing of the existence of a dispute within 10 Days of the Town or the Contractor declaring need to commence the neutral evaluation process.

B. **Non-Binding Informal Hearing.** The Neutral Evaluator shall schedule a non-binding informal hearing of the matter to be held within seven Days from receipt of notification of the existence of a dispute. The Neutral Evaluator may conduct the hearing in such manner as he deems appropriate and shall notify each party of the hearing and of its opportunity to present evidence it believes will resolve the dispute. The Neutral Evaluator shall require that each party submit a written outline of the issues and evidence intended to be introduced at the hearing and the proposed resolution of the dispute to the Neutral Evaluator before the hearing commences. Arbitrators shall not participate in such informal hearing or proceedings process. The Neutral Evaluator is not bound by the rules of evidence when admitting evidence in the hearing and may limit the length of the hearing, the number of witnesses or any evidence introduced to the extent deemed relevant and efficient.

C. **Non-Binding Decision.** The Neutral Evaluator shall render a non-binding, written decision as soon as possible, but not later than five Days after the hearing.

3.89 **Binding Arbitration Procedure.** The following binding arbitration procedure, except as provided in Subsection 3.89(G) below, shall serve as the exclusive method to resolve a dispute if (A) the parties cannot agree to a Neutral Evaluator as set forth in Section 3.87 above or (B) any party chooses not to accept the decision of the Neutral Evaluator. The party requesting binding arbitration shall notify the Neutral Evaluator of a request for arbitration in writing within three business days’ of receipt of the Neutral Evaluator’s decision. If the Contractor requests arbitration or if Contractor rejects the Town’s selection of a Neutral Evaluator, it shall post a cash bond with the Neutral Evaluator in an amount agreed upon by the parties or, in the event of no agreement, the Neutral Evaluator shall establish the amount of the cash bond to defray the cost of the arbitration as set forth in Subsection 3.89(M) and the proceeds from the bond shall be allocated in accordance with Subsection 3.89(M) by the Arbitration Panel.

A. **Arbitration Panel.** The Arbitration Panel shall consist of three arbitrators: the Town’s appointed arbitrator, the Contractor’s appointed arbitrator and a third arbitrator (or “Neutral Arbitrator”) who shall be selected by the parties’ arbitrators as set forth in Subsection 3.89(B). If more than one consultant or contractor is
involved in a dispute, the consultants and/or contractors shall agree on an appointee to serve as arbitrator. The Neutral Evaluator shall not participate in the proceedings.

B. Selection of Neutral Arbitrator. The parties’ arbitrators shall choose the Neutral Arbitrator within five business days of receipt of notification of a dispute from the Neutral Evaluator. The Neutral Arbitrator shall have the same qualifications as those of the arbitrators set forth in Section 3.87. In the event that the selected arbitrators cannot agree on the Neutral Arbitrator as set forth above, the Neutral Arbitrator shall be the “Default Neutral Arbitrator,” a person or entity jointly selected by the Town and the Contractor. If the Town and the Contractor cannot agree on a Default Neutral Arbitrator, the Town and the Contractor shall each submit two names to an appropriate judge who shall select one person to serve as the Default Neutral Arbitrator.”

C. Expedited Hearing. The parties have structured this procedure with the goal of providing for the prompt, efficient and final resolution of all disputes falling within the purview of this ADR process. To that end, any party can petition the Neutral Evaluator to set an expedited hearing. If the Neutral Evaluator determines that the circumstances justify it, the Neutral Evaluator shall contact the selected Arbitration Panel and arrange for scheduling of the arbitration at the earliest possible date. In any event, the hearing of any dispute not expedited will commence as soon as practical but in no event later than 20 Days after notification of request for arbitration having been submitted. This deadline can be extended only with the consent of all the parties to the dispute, or by decision of the Arbitration Panel upon a showing of emergency circumstances.

D. Procedure. The Arbitration Panel will select a Chairman and will conduct the hearing in such a manner that will resolve disputes in a prompt, cost efficient manner giving regard to the rights of all parties. Each party shall supply to the Arbitration Panel written pre-hearing statement which shall contain a brief statement of the nature of the claim or defense, a list of witnesses and exhibits, a brief description of the subject matter of the testimony of each witness who will be called to testify, and an estimate as to the length of time that will be required for the arbitration hearing. The Arbitration Panel shall review and consider the Neutral Evaluator decision, if any. The Chairman shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence consistent with deadlines provided herein and the parties’ objective that disputes be resolved in a prompt and efficient manner. No discovery may be had of any materials or information for which a privilege is recognized by Arizona law. The Chairman, upon proper application, shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary or sensitive materials or information from public disclosure or other misuse. Any party may make application to the Yavapai County Superior Court to have a protective order entered as may be appropriate to confirm such orders of the Chairman.

E. Hearing Days. In order to effectuate parties’ goals, the hearing once commenced, will proceed from business day to business day until concluded, absent a showing of emergency circumstances.

F. Award. The Arbitration Panel shall, within 10 Days from the conclusion of any hearing, by majority vote, issue its award. The award shall include an allocation of fees and costs pursuant to Subsection 3.89(M) herein. The award is to be rendered in accordance with this Contract and the laws of the State of Arizona.

G. Scope of Award. The Arbitration Panel shall be without authority to award punitive damages, and any such punitive damage award shall be void. The Arbitration Panel shall be without any authority to issue an award against any individual party in excess of 20% of the original Contract amount, but in no event shall any award exceed $2,000,000, exclusive of interest, arbitration fees, costs and attorneys’ fees. If an award is made against any individual party in excess of $100,000, exclusive of interest, arbitration fees, costs and attorneys’ fees, it must be supported by written findings of fact, conclusions of law and a statement as to how damages were calculated. Any claim in excess of 20% of the original Contract amount or in excess $2,000,000 shall be subject to the jurisdiction of the Superior Court of Arizona, Yavapai County. Any party can contest the validity of the amount claimed if an action is filed in the Superior Court.

H. Jurisdiction. The Arbitration Panel shall not be bound for jurisdictional purposes by the amount asserted in any party’s claim, but shall conduct a preliminary hearing into the question of jurisdiction upon
application of any party at the earliest convenient time, but not later than the commencement of the arbitration hearing.

I. **Entry of Judgment.** Any party can make application to the Yavapai County Superior Court for confirmation of an award, and for entry of judgment on it.

J. **Severance and Joinder.** To reduce the possibility of inconsistent adjudications: (1) the Neutral Evaluator or the Arbitration Panel may, at the request of any party, join and/or sever parties, and/or claims arising under other contracts containing this ADR provision, and (2) the Neutral Evaluator, on his own authority, or the Arbitration Panel may, on its own authority, join or sever parties and/or claims subject to this ADR process as they deem necessary for a just resolution of the dispute, consistent with the parties’ goal of the prompt and efficient resolution of disputes, provided, however, that the Contractor, Architect/Engineer and Project professionals shall not be joined as a party to any claim made by a Contractor. Nothing herein shall create the right by any party to assert claims against another party not germane to this Contract or not recognized under the substantive law applicable to the dispute. Neither the Neutral Evaluator nor the Arbitration Panel are authorized to join to the proceeding parties not in privity with the Town. Contractor cannot be joined to any pending arbitration proceeding, without Contractor’s express written consent, unless Contractor is given the opportunity to participate in the selection of the non-Town appointed arbitrator.

K. **Appeal.** Any party may appeal (1) errors of law by the Arbitration Panel if, but only if, the errors arise in an award in excess of $100,000, (2) the exercise by the Chairman or Arbitration Panel of any powers contrary to or inconsistent with this Contract or (3) on the basis of any of the grounds provided in ARIZ. REV. STAT. § 12-1512, as amended. Appeals shall be to the Yavapai County Superior Court within 15 Days of entry of the award. The standard of review in such cases shall be that applicable to the consideration of a motion for judgment notwithstanding the verdict, and the Yavapai County Superior Court shall have the authority to confirm, vacate, modify or remand an award appealed under this Section, but not to conduct a trial, entertain the introduction of new evidence or conduct a hearing de novo.

L. **Uniform Arbitration Act.** Except as otherwise provided herein, binding arbitration pursued under this provision shall be governed by the Uniform Arbitration Act as codified in Arizona in ARIZ. REV. STAT. § 12-1501, et seq.

M. **Fees and Costs.** Each party shall bear its own fees and costs in connection with any informal hearing before the Neutral Evaluator. All fees and costs associated with any arbitration before the Arbitration Panel, including without limitation the Arbitration Panelists’ fee, and the prevailing party’s reasonable attorneys’ fees, expert witness fees and costs, will be paid by the non-prevailing party, except as provided for herein. In no event shall any Arbitrator’s hourly fees be paid in an amount in excess of $200 per hour and (1) costs shall not include any travel expenses in excess of mileage at the rate paid by the Town, not to exceed a one way trip of 150 miles, and (2) all travel expenses, including meals, shall be reimbursed pursuant to the travel policy of the Town in effect at the time of the hearing. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, will be included in the award by the Arbitration Panel. Fees for the Neutral Evaluator shall be divided evenly between the Town and the Contractor.

N. **Confidentiality.** Any proceeding initiated under ADR shall be deemed confidential to the maximum extent allowed by Arizona law and no party shall, except for disclosures to a party’s attorneys or accountants, make any disclosure related to the disputed matter or to the outcome of any proceeding except to the extent required by law, or to seek interim equitable relief, or to enforce an agreement reached by the parties or an award made hereunder.

O. **Equitable Litigation.** Notwithstanding any other provision of ADR to the contrary, any party can petition the Yavapai County Superior Court for interim equitable relief as necessary to preserve the status quo and prevent immediate and irreparable harm to a party or to the Program pending resolution of a dispute pursuant to ADR provided herein. No court may order any permanent injunctive relief except as may be necessary.
to enforce an order entered by the Arbitration Panel. The fees and costs incurred in connection with any such equitable proceeding shall be determined and assessed in ADR.

P. Change Order. Any award in favor of the Contractor against the Town or in favor of the Town against the Contractor shall be reduced to a Change Order and executed by the parties in accordance with the award and the provisions of this Contract.

Q. Merger and Bar. Any claim asserted pursuant to this ADR process shall be deemed to include all claims, demands, and requests for compensation for costs and losses or other relief, including the extension of this Contract performance period which reasonably should or could have been brought against any party that was or could have been brought into this ADR process, with respect to the subject claim. The Arbitration Panel shall apply legal principles commonly known as merger and bar to deny any claim or claims against any party regarding which claim or claims recovery has been sought or should have been sought in a previously adjudicated claim for an alleged cost, loss, breach, error, or omission.

R. Inclusion in Other Contracts. The Contractor shall cooperate with the Town in efforts to include this ADR provision in all other Project contracts. Subject to Contractor's reasonable agreement, the Contractor agrees that any modification to this ADR provision that is included in the construction or other contracts shall also apply to the Contractor. It is the intent of the parties that any changes to this ADR provision in later contracts will be evolutionary and designed to incorporate the terms of this ADR provision without material changes to the substance or procedure of this ADR provision.

ARTICLE IV – SPECIAL PROVISIONS

There are no Special Provisions for this Project.
EXHIBIT A
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Plans/Construction Drawings and Specifications]

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<td>Permanent Signing, Sign Posts and Delineators</td>
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<tr>
<td>420</td>
<td>Chain Link Fences</td>
<td>26</td>
</tr>
<tr>
<td>520</td>
<td>Steel and Aluminum Handrails</td>
<td>27</td>
</tr>
<tr>
<td>601</td>
<td>Trench Excavation, Backfilling and Compaction</td>
<td>27</td>
</tr>
<tr>
<td>610</td>
<td>Water Line Construction</td>
<td>28</td>
</tr>
<tr>
<td>700</td>
<td>Materials</td>
<td>28</td>
</tr>
</tbody>
</table>
100  GENERAL CONDITIONS

ADD the following Sections:

100.1  Scope of Work:
A. Intent of Plans and Specifications:
   1. The intent of the Specifications and Scope of Work is to prescribe a complete work for the Project which the Contractor shall perform in a manner acceptable to the Town of Chino Valley and in full compliance with the terms of the Contract.
   2. Unless otherwise specified in the Special Provisions, the Contractor shall furnish all materials, labor, tools, equipment, water, light, power, transportation, superintendence, temporary construction of every nature, and incidentals, including, but not limited to, dust and traffic control measures, and to perform all work involved in executing the contract in a satisfactory and workmanlike manner within the specified time.
   3. The Engineer shall be that person or his designees employed by or contracted by the Town of Chino Valley responsible for all aspects of the project and with the authority to make revisions to and approve changes to the plans or specifications.

B. Project Description and Location:
   1. The Project description and location are as noted in the contract documents and plans.

C. Time of Completion:
   1. The Contractor shall commence the work under this contract not before May 21, 2020. The Contractor shall fully complete all work on or before July 28, 2020. The Contractor shall at all times during the continuance of the Contract prosecute the work with such work force and equipment as is sufficient to complete the project within the time specified.

100.2  Standard Specifications & Drawings:
A. Standard details and specifications for this project shall be the Maricopa Association of Governments Standard Specifications and Details (MAG Standards), latest revision, and the Quad City Standard Details, latest revisions, except as modified in the plans.

B. Other standard specifications and details will be incorporated within the plans, project documents and technical specifications by reference, as necessary. These may include references to Maricopa Association of Governments Uniform Standard Details for Public Works Construction (MAG Standard Details, Arizona Department of Transportation Standard Specifications and Standard Drawings for Road and Bridge Construction (ADOT Specifications or ADOT Standard Details), and others.

100.3  General Notes:
A. All construction shall conform to the Maricopa Association of Governments Standard Specifications and Details (MAG Standards), latest revisions, and Quad City (QC) Standard Details, latest revisions, unless specifically modified on the plans.
B. It shall be the Contractor's responsibility to obtain copies of MAG, and QC Standards and Specifications as well as all other standards and specifications necessary to completely and accurately interpret the plans.

C. All plans signed by the Town Engineer are null and void one year from date of signature if construction has not started.

D. All quantities shown on plans are not verified by the Engineer. The Contractor shall verify all quantities shown and make his bid based upon those verifications. If any discrepancy in quantities is found, Contractor shall notify the Engineer of such no later than 24 hours prior to bid opening.

E. A Town of Chino Valley Public Works Department permit will be required for all off-site construction and construction within the public right of way.

F. It is the sole responsibility of the Contractor to obtain, at his own expense, such permits as are required from the appropriate agencies.

G. The Public Works Department shall be notified a minimum of 24 hours prior to beginning any construction in the public right of way at (928) 636-7140.

H. Inspection is to be done by the Town of Chino Valley Public Works Department or their representatives.

I. Any work performed without the knowledge of the Town of Chino Valley and Lyon Engineering inspector or his representative is subject to removal and replacement of same, to be done at the Contractor's expense.

J. All work and materials, which do not conform to the specifications, are subject to removal and replacement at the Contractor's expense.

K. Approval of a portion of the work in progress does not guarantee its final acceptance. Testing and evaluation may continue until the written final acceptance of a complete and workable unit.

L. The Town of Chino Valley may suspend the work by written notice when, in its judgment, progress is unsatisfactory, work being done is unauthorized or defective, weather conditions are unsuitable, or there is a danger to the public health and safety.

M. The Contractor shall provide sufficient men and equipment on the job at all times during construction to comply with specifications and to complete work.

N. The Engineer shall be responsible for construction surveying and layout.

O. The Contractor shall notify "Blue Stake" at 811 or 1-800-782-5348 at least 48 hours prior to construction.

P. It is the Contractor's responsibility to locate all underground pipelines, telephone and electric conduits and structures in advance of any construction and will observe all possible precautions to avoid any damage to such. The Engineer and/or Town will not guarantee any locations as shown on these plans, or those omitted from it.

Q. The Contractor is to uncover all existing lines being tied into and verify grades, pipe material, and pipe diameter before material submittals and planned construction activities.

R. Arizona Department of Environmental Quality (ADEQ) Requirements shall be complied with.

S. All water lines shall be provided with 14 AWG HS-CCS wire. Trace wire shall be subject to traceability test.

T. Water/sewer separation shall be pursuant to AAC R-18-5-502C and project specifications.

U. Water mains shall be subject to a pressure and leakage test in accordance with AWWA C-600 Standard.
V. Water mains shall be disinfected in accordance with ADEQ Engineering Bulletin No. 8 "Disinfection of Water Systems".

W. Operation of valves to be done by Town personnel only unless otherwise determined by the Town that the existing water system is owned and operated by the City of Prescott.

X. All pipeline materials shall be installed per manufacturer's requirements unless superseded by MAG specifications.

Y. All materials for water line construction shall meet AAC R-18-4-119.

Z. Arizona Department of Environmental Quality requirements will apply when more stringent than MAG Standard Specifications; more specifically where they pertain to maximum allowable sewer line/pressure sewer line exfiltration-infiltration rates.

AA. Sewer line low-pressure air tests shall be done on 100% of all lines.

BB. Sewer manhole vacuum testing shall be done on 100% of all manholes. Vacuum testing shall be in accordance with QC Standards Detail 443PV. Exfiltration testing (water tightness) or holiday testing is not permitted.

CC. Sewer line deflection tests shall be done on 100% of all pipes.

DD. Prior to project acceptance, the Contractor shall be responsible for providing the Town of Chino Valley with video (DVD) of the entire sewer main installed including service laterals. The video will be previewed and deemed acceptable by the Town prior to project release.

EE. Acceptance of the completed water/sewer system will not be given until 3 ml photo Mylar or Xerox graphic "as-built" reproducible plans and all required digital files have been submitted by a Registered Professional Engineer and approved by the Engineer.

FF. Contractor shall warrant all work for a minimum of two years after formal acceptance of the work.

101 ABBREVIATIONS AND DEFINITIONS

101.2 Definitions and Terms:

REPLACE the definition of Engineer with the following:

The Engineer shall be that person or his designees, subordinate to the Town Engineer, employed by or contracted by the Town of Chino Valley responsible for all aspects of the project and with the authority to make revisions to and approve changes to the plans or specifications.

104 SCOPE OF WORK

104.1.4 Cleanup and Dust Control:

ADD the following:

A. The work under this item shall consist of applying water required for dust control per MAG Specifications and as modified herein.

B. If in the opinion of the Engineer the Contractor fails to keep dust for his operation under control, the Engineer may order by written order suspension of operations until the situation is remedied. No time extension or additional costs will be allowed for this suspension.

C. The existing water system is owned and operated by the Town of Chino Valley, All contractors requesting construction water from the Town of Chino Valley must apply for a hydrant meter and
pay all construction water used at the current rates charged by the Town. The Contractor will be responsible for all costs associated with obtaining and delivering construction water.

**Measurement and Payment:**

No separate measurement or payment shall be made for dust control. This work shall be considered incidental and included in the unit price bid for construction of the appropriate contract pay items.

**104.1.5 Final Cleaning Up:**

ADD the following:

Upon completion of construction and before Final Acceptance can be made by the Engineer, the Contractor shall clean up each individual construction area to the satisfaction of the Engineer. Small trees, weeds, and brush, which were removed as part of construction work, shall be removed from the project site and properly disposed of. All debris, broken pipe, concrete and other construction debris shall be removed from the project site and properly disposed.

Mailboxes, fences, gates, landscaping, driveway culverts, street and traffic signs removed during construction shall be reinstalled in “like kind” and shall be considered incidental to the unit prices for road work included in the bidding schedule.

**105 Control of Work**

**105.6 Cooperation with Utilities:**

ADD the following:

A. Location of Underground Utilities

1. Contractor shall contact Blue Stake within the time frame specified under Blue Stake law and request field location of underground utilities. At the time these locations have been marked and prior to the commencement of excavation within the affected area, the Contractor shall at his expense manually determine the exact location of all buried facilities.

2. Contractor shall notify all affected utilities prior to the start of construction and shall ascertain the location of the various underground utilities either shown on the plans and/or as may be brought to his attention.

3. Contractor shall perform all operations in accordance with Arizona Blue Stake law.

4. Utility locations shown on the plans are approximate and based on drawings furnished by the respective utility. It shall be the Contractor’s responsibility to protect all existing utilities. Should a utility conflict occur, the Contractor shall cooperate with the said utility to resolve the conflict. No claim for extra costs shall be made against the Owner for delays due to any utility conflict.

5. If performance of the Contractor’s work is delayed because the utility owners fail to relocate or adjust their facilities in a timely manner, the Contractor may file for an extension of time. To receive consideration, this request shall contain specific information as to the nature of the delay and the actual loss of time involved.

6. Contractor shall assume full responsibility for damage to all marked utilities due to his operations and shall repair the damaged utilities in accordance with regulatory authority requirements at his own expense.
Measurement and Payment:

No separate measurement and payment shall be made for Location of Underground Utilities. This work shall be considered incidental and included in the unit price bid for construction or installation of the appropriate contract pay items.

105.8 Construction Staking:

105.8 CONSTRUCTION STAKES, LINES AND GRADES:

REPLACE Entire Section with the following:

A. The CONTRACTOR will set construction stakes establishing lines and grades as described in the plans. The ENGINEER will furnish the Contractor with all necessary information relating to the lines and grades. These stakes and marks shall constitute the field control by and in accordance with which the Contractor shall establish other necessary controls and perform the work.

B. The CONTRACTOR shall perform the work in accordance with the Engineer’s stakes and marks, and shall be charged with full responsibility for conformity and agreement of the work with such stakes and marks.

C. The CONTRACTOR shall be held responsible for the preservation of all stakes and marks, and if the construction stakes or marks have been carelessly or willfully destroyed or disturbed by the Contractor, the cost for replacing them will be charged against him and will be deducted from the payment for the work.

D. The CONTRACTOR shall set the construction stakes for buildings establishing lines, grades, and elevations to include necessary utilities and appurtenances and shall be responsible for their conformance with plans and specifications. The ENGINEER will establish or designate a control line or benchmark of known location and elevation for use as a reference.

Measurement and Payment:

A payment shall be made for construction staking to the CONTRACTOR in one lump sum that will be determined by the CONTRACTOR’s surveyor.

105.16 As-Built Preparation and Coordination:

A. As-built preparation will be performed by the ENGINEER based on redlined as-built data supplied by the contractor. During the construction phase and prior to any backfilling or covering, the CONTRACTOR will survey the work for the purpose of as-built preparation. Surveying shall be performed and certified by a Registered Land Surveyor in good standing with the Arizona State Board of Technical Registration. The CONTRACTOR shall supply the ENGINEER with all horizontal and vertical as-built data in ASCII format, including a northing, easting, elevation and description of all work completed under this contract. The CONTRACTOR shall aid the ENGINEER in determining and providing this information. As-built data shall include, but not be limited to all items noted below.

1. Roadway
   a. Horizontal centerline alignment(s) including all PC’s, PT’s, and PI’s.
   b. Valley gutters including flow lines, spandrels, approaches, ADA ramps, installed or relocated signs, traffic signals, and street lights.

2. Storm System
a. All drainage structures including manholes, catch basins, junction structures, scuppers, and inlet/outlet structures. Rim and invert elevations shall be included for all structures. Headwall data shall include top of wall/wingwall, footing elevations, inverts, and apron boundaries weather concrete or rip-rap.

b. Drainage ditches, swales, channels, and flow lines

3. Water System (Potable and Re-Use)

a. The alignment of the water main(s) including all horizontal and vertical curves. If the water main continues in a straight horizontal and vertical alignment for more than 100 feet, the water main will be surveyed every 100 feet. Sufficient survey shots shall be taken on horizontal and vertical curves to establish an accurate alignment.

b. All fittings and appurtenances shall be surveyed, including but not limited to the following: valves, bends, tees, reducers blow offs, air release valves, tracer wire stations, water meters, and hydrant locations.

i) Valves shall be shot on the nut and center of the cover. If extensions are used, the length of the extension shall be noted.

ii) All fittings shall be shot at the middle of the fitting.

iii) Air release valves shall be shot at the main connection, the air release box, and any major alignment changes between the two.

c. All mainline water and sewer crossings shall be surveyed for specific elevation separations and be entered on the as-built.

4. Site improvements

a) Shall include, but not limited to, retaining walls including footing elevations, curbs, fencing, drainage, chain link fence enclosures, protection posts, gates, finished ground topography, etc.

B. Prior to backfilling or covering any work, the CONTRACTOR shall notify the TOWN 48-hours in advance in writing for the item of work. The minimum 48-hours notice time shall not include weekends or holidays.

C. The CONTRACTOR shall maintain a redlined copy of the project plans including changes made in construction of the project. The redline copy shall be updated on a weekly basis in preparation for the weekly as-built field meeting. The CONTRACTOR shall provide the ENGINEER with a copy of the redline plans upon completion of the project.

D. Weekly field meetings with the CONTRACTOR, ENGINEER and TOWN shall occur to review As-Built information for conformance with the specifications. The CONTRACTOR shall provide the ENGINEER with a schedule of work items to be constructed in the upcoming 30 day period, including approximate dates of installation prior to backfilling or covering. The CONTRACTOR field redlines will be reviewed for notation of changes in the work. Missing, erroneous or deficient data must be corrected by the CONTRACTOR at no additional cost to the TOWN.

Pay Item: 105.16.1 Construction Staking (LS)
ADD the following Section:

106 CONTROL OF MATERIALS

ADD the following:

Contractor shall submit in writing all materials to be used in the project in accordance with MAG Specification Section 105.2.

106.2 Samples and Tests of Materials:

ADD the following:

A. Quality control measures sufficient to produce materials and workmanship of acceptable quality are the responsibility of Contractor. Upon request Contractor shall provide factory certificates of compliance or analysis or both to the Engineer. The Contractor shall provide full-time asphaltic concrete laydown compaction testing and adequate plant control for each paving day. The Contractor shall provide an independent geotechnical firm to perform all soils and concrete testing, as required, per these specifications.

B. The weekly reports shall state the type of work performed during the report period and other process control measures taken to assure quality. Type of work must be identified by activity, location, station, and offset, purpose of test, and any other relevant information that the Engineer needs to identify or replicate the quality control testing. Results of all tests, corrective actions, re-tests, and control charts shall be attached to the weekly reports. Although hand written documentation can be included, the quality control report narrative and test results must be typed to insure that clear reproductions of the documents can be made. The report period shall end at midnight each Friday and the report shall be submitted to the Engineer no later than 5:00 pm of the following Wednesday. Payment in the amount of $500.00 per report will be withheld for each individual report that is not delivered to the Engineer by the time and day specified above. Only one half of the withheld payments will be returned on the next regular project progress payment when the delinquent reports have been turned in and all of the above requirements have been met. Any report turned in more than 10 business days beyond the Wednesday due date will not be eligible for withheld payments to be returned.

Minimum Quality Control Sampling Guidelines (may not include all required testing)

<table>
<thead>
<tr>
<th>MATERIAL TYPE</th>
<th>REQUIRED TEST</th>
<th>SAMPLING POINT</th>
<th>SAMPLING FREQUENCY</th>
<th>REQUIRED RESULT</th>
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<tbody>
<tr>
<td>Embankment</td>
<td>Proctor</td>
<td>In-Place</td>
<td>One per Soil Type</td>
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</tr>
<tr>
<td></td>
<td>Optimum</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Moisture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compaction</td>
<td>In-Place</td>
<td>One per 500 LF of 8&quot; lift</td>
<td>95% per ASTM D-698</td>
</tr>
<tr>
<td>Sub-grade</td>
<td>Proctor</td>
<td>In-Place</td>
<td>One per Soil Type</td>
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</tr>
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<td></td>
<td>Optimum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Moisture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agg. Base</td>
<td>Proctor</td>
<td>Crusher belt or Stockpile</td>
<td>At start of production, then as mtl. Changes</td>
<td>95% per ASTM D-698</td>
</tr>
<tr>
<td>------------------------</td>
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<td>----------------------------</td>
<td>---------------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td></td>
<td>Optimum</td>
<td>Moisture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compaction</td>
<td>In-Place</td>
<td>One per 500 LF of 6&quot; lift</td>
<td></td>
<td>98% Per ASTM D-698</td>
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<tr>
<td>Abrasion</td>
<td>Source</td>
<td>One per source</td>
<td></td>
<td>Max. 6 per AASHTO T89 &amp; T90</td>
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<tr>
<td>Plasticity Index</td>
<td>One per shift</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Gradation</td>
<td>One per shift</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crushed Faces</td>
<td>One per shift</td>
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**Asphalt Concrete PG 64-22**

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<thead>
<tr>
<th>MATERIAL TYPE</th>
<th>Bit. Mtl. Content</th>
<th>Two per day (3/day on 1st day)</th>
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<tr>
<td></td>
<td>Marshalls</td>
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<tr>
<td></td>
<td>Rice</td>
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<tr>
<td>REQUIRED TEST</td>
<td>SAMPLING POINT</td>
<td>SAMPLING FREQUENCY</td>
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<tr>
<td>Voids, VMA</td>
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<tr>
<td>Compaction</td>
<td>95%</td>
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</tr>
<tr>
<td>Core</td>
<td>One per 1,000 SY</td>
<td>within 24 hours</td>
</tr>
<tr>
<td>Gradation</td>
<td>One per 1,200 tons</td>
<td></td>
</tr>
<tr>
<td>Crushed Faces</td>
<td>One per day</td>
<td></td>
</tr>
<tr>
<td>Sand Equivalent</td>
<td>One per day</td>
<td>45 or greater</td>
</tr>
<tr>
<td>Abrasion</td>
<td>One</td>
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**Min. Agg.**

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<tr>
<th>Asphalt Rubber Concrete</th>
<th>Open Graded</th>
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<tr>
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<td>-------------------------------</td>
<td>------------------------</td>
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<tr>
<td>Asphalt Rubber</td>
<td></td>
</tr>
<tr>
<td>Concrete</td>
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</tr>
<tr>
<td>Asphalt Concrete</td>
<td>Stock pile</td>
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<tr>
<td>Friction Course</td>
<td>Gradation</td>
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<tr>
<td>Asphalt Rubber</td>
<td>Sand Equivalent</td>
</tr>
<tr>
<td>Crushed Faces</td>
<td>One per day</td>
</tr>
<tr>
<td>Flakiness Index</td>
<td>One per day</td>
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<td>Portland Cement</td>
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</tr>
<tr>
<td></td>
<td>Compression</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

ADD the following Section:

106.9 Quality Acceptance Testing:

A. The Engineer may provide quality acceptance sampling and testing. The number of tests and location of each shall be determined by the Engineer. The expense of the initial sampling and testing shall be paid for by the Town. Additional sampling and testing required due to failure of the initial test(s) shall be accomplished as provided by the Town and these additional expenses shall be deducted from moneys due Contractor.

B. Contractor and the Engineer’s representative shall coordinate on a daily basis the following day’s work schedule and any testing that may be necessary. The Engineer’s quality acceptance testing will generally consist of (1) daily sampling and testing for asphalt extraction/gradation and Marshall density for each paving day; and (2) asphaltic concrete core drilling after placement to verify thickness and density. A minimum of one core per each 1,000 square yards of paving shall be randomly sampled by the Contractor’s quality control lab after marking by the Town inspector.

C. Construction quality acceptance testing performed by the Town of Chino Valley does not relieve the Contractor or the manufacturer of materials produced for the Contractor, of the obligation to perform and document quality control testing of materials and workmanship.

Measurement and Payment:

No separate payment shall be made for Contractor Quality Control. This work shall be considered incidental and included in the unit price bid for construction or installation of the appropriate contract pay items. An independent geotechnical firm shall perform all quality control testing. The Contractor shall furnish copies of all test results to the Town on a weekly basis.
No separate payment shall be made for Quality Acceptance Testing or any related work performed by Contractor.

107  LEGAL REGULATIONS AND RESPONSIBILITY TO PUBLIC

107.6 Public Convenience and Safety:

ADD the following:

A. Maintenance of Traffic

1. Contractor shall at all times conduct his/her work as to ensure the least possible obstruction to traffic.

2. Unless otherwise provided, the road, while being improved shall be kept open to all traffic by Contractor. When so requested by Contractor and approved by the Engineer, Contractor may bypass traffic over an approved detour route. Regardless of whether it is through or local traffic, Contractor shall keep the portion of the project being used by traffic in such condition that traffic will be adequately accommodated.

3. Contractor shall also provide and maintain in a safe condition temporary approaches or crossings and intersections with trails, roads, streets, businesses, parking lots, driveways residences, garages and farms; however, Contractor will not be required to remove snow.

4. Before any detour is opened to traffic, the Engineer shall have been satisfied that traffic is able to proceed in a safe manner.

5. Contractor shall bear all expense of maintaining traffic over the road being improved as well as constructing, maintaining and subsequently removing Contractor requested detours, approaches, crossings, intersections and other features as may be necessary without any direct compensation.

B. Access to Businesses/Residences

Contractor shall provide to all residents and businesses affected by the project, access to one of their driveways at all times except as modified by the following: If Contractor finds it unavoidable to temporarily close off access for any time, the residents/businesses affected shall be contacted a minimum of 48 hours in advance and an alternate procedure for access mutually agreed to. Contractor shall provide the Engineer with signed evidence of a mutually accepted agreement between the property owner/business manager/residential manager and Contractor prior to said closure.

C. Safety

1. The safety and convenience of the general public and the residents along the project and the protection of persons and property shall be provided for by the Contractor in accordance with the requirements of this contract.

2. Contractor shall submit a Safety Plan to the Engineer at the preconstruction conference. The plan shall detail the procedures The Contractor will implement to satisfy OSHA and the State Occupational Safety Guidelines related to the worker as well as public safety in construction of excavations, structures and confined air spaces as identified by the Engineer. Contractor’s Safety Plan shall include the requirement that all workers and visitors must wear hard hats while within the project limits.

3. The Safety Plan submitted by Contractor shall include proposed methods to prevent unauthorized persons from gaining access to the work areas.
4. In conjunction with the Safety Plan, Contractor shall furnish and install 72” temporary chain link fencing, or approved equal satisfactory to the Engineer, around any unattended excavation deeper than four feet with slopes steeper than 2:1. Temporary fencing shall completely enclose the referenced construction activity and shall be secured after normal working hours to prevent unauthorized access.

5. Unless otherwise approved in writing by the Engineer, open utility trenches shall be limited to 50 ft. in length except for cast-in-place pipe installations and during non-working hours shall be covered with steel plate in a manner satisfactory to the Engineer.

107.9 Protection and Restoration of Property and Landscape:
ADD the following:

Mailboxes and traffic signs removed during construction shall be installed in “like kind” and shall be considered incidental to the unit prices for utility work included in the bid schedule, provided they are not in the bid schedule.

Existing landscape improvements, drainage ditches, etc., shall be restored in “like kind” so that the improvement is put back in as close to its prior state as possible

The Contractor shall restore each individual work site to grades existing before construction work, including wheel ruts and other scarring.

Measurement and Payment:

No separate payment will be made for restoration of items impacted by the Contractor’s construction operation and the cost of these items shall be included in the unit bid prices in the bid schedule.

ADD the following Section:

108 COMMENCEMENT, PROSECUTION AND PROGRESS

108.4 Construction Schedule:
ADD the following:

A. At the pre-construction meeting the Contractor shall submit for review by the Engineer a complete construction schedule as stated in the General Conditions of these contract documents.

B. Once this schedule has been accepted by the Engineer, Contractor shall not deviate from it until a revised schedule has been submitted and accepted by the Engineer.

C. The Engineer reserves the right to reject construction schedule submittals when in his opinion the schedule lacks the proper detail.

109 MEASUREMENT AND PAYMENTS

109.10 Payment for Mobilization/Demobilization:
REPLACE Section 109.10 in its entirety with the following:

The Agency will compensate Contractor for a single round trip mobilization/demobilization of Contractor’s personnel, equipment, supplies and incidentals, including establishment of offices, buildings
and other facilities required for the performance of the work on the project, as well as preparatory work and operations prior to the commencement of the work on the project site.

**Measurement and Payment:**

Mobilization will be measured for payment by the lump sum bid as a single complete unit of work. Payment for mobilization will be made as provided herein which shall be full compensation for supplying and furnishing all materials, facilities, and services and performing all the work involved as specified above. The total amount allowed for mobilization during the life of the contract shall not exceed nine percent (9%) of the original contract amount. If the bid price exceeds this percentage the excess amount will be paid to the Contractor upon completion of the contract and nine percent of the contract amount shall be used to determine partial payments. Partial payments under this item will be made in accordance with the following provisions:

1. The first payment of one third of the lump sum price for mobilization may be made provided that all submissions required under this Section and the General Conditions of the Contract are submitted by the Contractor at the pre-construction conference to the satisfaction of the Engineer and when the Engineer has determined that a significant amount of equipment has been mobilized to the project site which will be used to perform portions of the project work.

2. The second payment of one third of the lump sum price for mobilization shall be made on the first estimate following completion of thirteen percent (13%) of the contract.

3. The third payment of one third of the lump sum price for mobilization will be made on the first estimate following completion of twenty-six percent (26%) of the contract.

**Pay Item: 109.10.1 Mobilization**

ADD the following Section:

**109.11 Contract Allowance:**

A. Contract allowance items are provided for the purpose of encumbering funds to cover the costs of possible contract amendment work. The amount of the allowance item is determined by the Engineer and is not subject to individual bid pricing. All bidders shall incorporate the amount pre-entered in the bid proposal and shall reflect the same in the total amount bid for this project.

B. This allowance item provides an estimated funding to cover unforeseen changes that may be encountered and corresponding extra work needed to complete the contract per plan. Unforeseen extra work, if any, shall be in accordance with the Contract Amendment section of the General Conditions.

It shall be understood that this allowance item is an estimate only and is based on contract amendment history of similar projects. It shall not be utilized without an approved contract amendment. It is further understood that authorized extra work, if any, may be less than the allowance item. The Contractor, by submittal of his bid, acknowledges that the total bid and individual bid items were prepared without anticipation of use of the contract allowance.

**Pay Item: 109.11.1 Contract Allowance**
200 EARTHWORK

201 CLEARING AND GRUBBING

201.1 Description:

REPLACE in its entirety with the following:

This work shall consist of removing objectionable material from the right-of-way, easements, all areas to be graded, and such other areas as may be specified in the Special Provisions. Clearing and grubbing shall be performed in advance of grading operations.

201.3 Construction Methods:

REPLACE the second paragraph with the following:

All trees and shrubs found suitable for improvement and beautification, which will not interfere with excavation or embankment or cause disintegration of the improvements shall not be disturbed. In any event, the Contractor shall avoid injury to shrubbery, vines, plants, grasses and other vegetation growing outside of the clearing limits. The dragging and the piling of materials of various kinds and the performing of other work which may be injurious to vegetation shall be confined to areas which have no vegetation or which will be covered by embankment or disturbed by excavation during grading operations.

REPLACE the fourth paragraph with the following:

From excavated areas, all stumps, roots and other obstructions 3 inches or over in diameter shall be grubbed to a depth of not less than 24 inches below finish grade.

REPLACE Table 201-1 in its entirety with the following:

<table>
<thead>
<tr>
<th>Height of Embankment Over Stump</th>
<th>Height of Clearing and Grubbing</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Feet to 2 Feet</td>
<td>All stumps or roots 6 inches or over in diameter shall be grubbed to 24 inches below original grade. All others shall be cut flush with the ground.</td>
</tr>
<tr>
<td>2 Feet to 3 Feet</td>
<td>All stumps 1 foot and over in diameter shall be grubbed to 24 inches below original grade. All others shall be cut flush with the ground.</td>
</tr>
<tr>
<td>Over 3 Feet</td>
<td>All stumps shall be cut flush with the ground.</td>
</tr>
</tbody>
</table>

REPLACE the eighth paragraph with the following:

All tree trunks, stumps, brush, limbs, roots, vegetation and other debris removed in clearing and grubbing shall be completely removed from the project and properly disposed of.

201.5 Payment, Clearing and Grubbing:

REPLACE with the following:

No separate payment shall be made for clearing and grubbing.
205 ROADWAY EXCAVATION

205.1 Description:

ADD the following Section:

205.1.1 General:

The bidding schedule quantities for this item of work will be considered to be the final quantities for payment. Adjustments in the bidding schedule quantities for Roadway Excavation as contained in these specifications may be initiated by Contractor or the Engineer if evidence indicates that the required quantity varies by an amount greater than 5% of the bidding schedule quantity. Contractor shall advise the Engineer, in writing, submitting evidence in the form of a construction survey or photogrammetric survey with measurement for the proposed adjustment and requesting an adjustment in quantities. The Engineer will determine the amount of adjustment, if any. The quantity upon which payment will be based will be the bidding schedule quantity plus or minus only that portion of the adjustment that exceeds 5% of the bidding schedule quantity.

Variations caused by shrink/swell of materials shall not be considered for quantity adjustments.

Adjustments in Roadway Excavation quantities due to revisions ordered by the Engineer will be isolated by measurement or calculations. The bidding schedule quantities will be adjusted by the amount either measured or calculated, regardless of the 5% variation requirement above.

205.2 Unsuitable Material:

REPLACE the third paragraph with the following:

If material is encountered during excavation that the Engineer determines to be unsuitable, the following shall apply:

1. Material which is located in a cut section at an elevation above finished sub-grade shall not be utilized in construction but shall be removed and disposed of at a site secured by Contractor.

2. Material which is located below the finished sub-grade elevation in excavation areas shall be removed to the limits as determined by the Engineer and the resultant cavity backfilled with aggregate base course in accordance with Section 310.

205.6 Surplus Material:

REPLACE the first paragraph with the following:

Unless otherwise shown on the plans, addressed in the Special Provisions, or approved by the Engineer, no surplus excavated material shall be disposed of within the right-of-way or easement. The Contractor shall make all arrangements for disposal of the material at off-site locations as may be approved by the Engineer. The Contractor shall provide to the Engineer copies of the written consent of the owner of the property upon which he intends to dispose of such material, and any permits that may be required by a governing agency for said disposal.

205.7 Measurement:

REPLACE the first two paragraphs with the following:

The following earthwork operations will not be measured as roadway excavation for the quantities of material involved.

Excavating the roadway prism including public and private roadway approaches; excavating slides and slip-outs not resulting from overshooting; excavating excess material; excavating selected material and
topsoil from within the limits of the project and removing such materials from stockpiles when stockpiling is ordered; and excavating ditches.

ADD the following:

No measurement for unsuitable material shall be completed as part of the work required to complete this project.

205.8 Payment:
ADD the following:

This work shall be considered incidental and included in the unit price bid for construction or installation of the roadway improvements and shall include all excavation, hauling and disposal at a site secured by Contractor, and backfilling with aggregate base course.

Pay Item: 205.8.1 Excavation (CY)

211 FILL CONSTRUCTION

211.6 Measurement & Payment:
ADD the following Section:

The unit price bid for fill quantities shall include all work, embankment construction and any required import material necessary for final grading.

Pay Item: 211.6.1 Fill Construction (CY)

220 RIPRAP CONSTRUCTION

220.7 Measurement:
REPLACE with the following:

The completed, in place riprap construction within the limits of the dimensions shown on the plans shall be measured. Measurement will be in cubic yards rounded to the nearest square yard.

No separate measurement will be made for erosion control geosynthetic fabric, bedding material, or grout.

Pay Item: 220.7.1 Hand-Placed Riprap

300 STREETS AND RELATED WORK

ADD the following Section:

300.1 Saw Cut:

A. The work under this item shall consist of saw cutting the existing pavement where new asphalt concrete is to match existing bituminous surfaces with no provisions for overlaying the entire section. This item shall also include saw cutting of existing Portland cement concrete pavement, sidewalks, driveways and parking lots where new construction shall match the grade of existing surfaces that are to remain where called for on the project plans or where designated by the Engineer.
B. Saw cuts shall be made to a full depth of the material to insure a neat vertical joint. Portland cement concrete designated to remain that is damaged by the saw cutting shall be replaced in kind at The Contractor's expense.

**Measurement and Payment:**

C. The unit price bid for saw cuts shall be measured in linear feet, as shown in the plans, and the unit price bid shall be made per linear foot of cut.

**Pay Item: 300.1.1 Sawcut Pavement (LF)**

### 301 SUB-GRADE PREPARATION

**301.1 Description:**

ADD the following:

The work under this item shall consist of furnishing all materials, equipment, and labor necessary for: preparation of natural or excavated areas prior to the placement of any sub-base material, chip seal, pavement, curbs and gutters, driveways, sidewalks or other structures. Unless provided for in another bid item, this work shall include the removal and disposal of all unsuitable material including existing pavement and other obstructions in accordance with MAG Specification Section 301. The Contractor shall be required to provide and pay for all quality control geotechnical testing in accordance with the MAG Specifications and the Town's MAG Supplement.

**301.2 Preparation of Subgrade:**

**301.2.1**

REPLACE in its entirety with the following:

The contractor shall not use asphalt concrete or other bituminous roadway surfacing materials as embankment fill.

Project earthwork quantities, when included as separate contract pay items, will include removed asphalt/bituminous material volumes, unless there is a pay item for asphalt removal or asphalt milling in the bid schedule or otherwise specified in the Special Provisions.

All unsuitable material and all excess material shall be disposed of in accordance with the requirements of Sections 205.2 and 205.6, respectively. When additional material is required for fill, it shall conform to Section 210.

**301.3 Relative Compaction:**

The subgrade shall be scarified and loosened to a depth of eight (8) inches.

B. Below detached sidewalk not subject to vehicular traffic 95 percent

Sub-grade quality control testing shall be one per 500 lf per lane for compaction testing.

**301.7 Measurement:**

REPLACE in its entirety with the following:

Measurement for Subgrade Preparation will be by the square yard, measured by the total accepted area of new pavements and chip seal, including paved shoulders, tapers, turnouts and driveways that are paved or surfaced with an aggregate base material. The areas under concrete curb and gutter, sidewalk and
concrete driveway entrances will not be included. Unless provided for in other separate bid items or unless otherwise specified; Clearing and Grubbing, Roadway Excavation, Rock Excavation, Borrow Excavation, and Fill Construction shall not be measured, in which case payment for these earthwork items, if required, shall be included in the unit price for Subgrade Preparation.

301.8 Payment:
REPLACE in its entirety with the following:

Payment for Subgrade Preparation will be made only when it is performed for street or roadway paving projects. Payment shall be compensation in full for stripping, scarifying, grading, excavating, hauling, filling, compacting, and disposing of excess or unsuitable materials, together with all costs incidental thereto. All excess materials will be delivered to the Town of Chino Valley yard located at northeast corner of Jerome Junction and Road 4 North in Old Home Manor.

Pay Item: 301.8.1 Sub Grade Preparation

310 PLACEMENT AND CONSTRUCTION OF AGGREGATE BASE COURSE

ADD the following:

310.1 Description:
The work under this item shall consist of furnishing all materials, equipment, and labor necessary for the placement of an approved, imported aggregate base course material on top of a prepared subgrade per the required design thickness, grade, cross-section and compaction as specified on the project plan documents and in accordance with MAG Specification Sections 310, 701 and 702. Aggregate base course shall not be placed on a prepared subgrade until the Town Engineer or authorized representative has inspected and accepted the underlying subgrade. The Contractor shall be required to provide and pay for all quality control geotechnical testing in accordance with the MAG Specifications and the Town’s MAG Supplement. Use of Reclaimed Concrete Material (RCM) is not allowed.

ADDITION of the following to MAG Section 310.1:

310.1.1 Reclaimed Asphalt Pavement (RAP)

Reclaimed Asphalt Pavement (RAP) aggregates or “millings” will be produced on-site and/or imported for placement on top of fill slopes as shown in the plans. Imported and on-site RAP milling material to be used shall be screened and compacted per MAG Specification Section 310.

Pay Item 310.1.1 Reclaimed Asphalt Pavement Millings (2.5”) (SY)

310.2 Placement and Construction:
ADD the following:

Aggregate base course shall not be placed on excessively wet or frozen sub-grade materials as determined by the Engineer.

ADD the following Section:

310.2.1 Aggregate Base Course Frequency Testing

Aggregate base course quality control testing frequency shall be as follows:

Resistance to Degradation and Abrasion
One at the start of production and again if source changes Fractured Faces, One Face, PI, and Gradation. One per shift

310.3 Compaction:
The fifth paragraph shall be REPLACED as follows:
For roadway construction, a minimum of one field density test shall be performed per 6-inch lift per 500 feet per lane. For other aggregate base course applications, a minimum of one field density test shall be performed for each 800 square yards. Delete (A), (B), and (C) in their entirety, and ADD the following:
Aggregate base course shall be compacted to 98% in all instances.

310.5 Payment:
REPLACE in its entirety with the following:
Measurement for aggregate base course material will be per cubic yard, given the total accepted area of new pavement and chip seal, including paved shoulders, tapers, turnouts and driveways that are paved or surfaced with an aggregate base material; and the thickness of the base layer. Copies of material delivery tickets will be required for material verification purposes. Payment shall be made at the unit price bid and shall be considered full compensation for this work item.

Pay Item: 310.5.1 Aggregate Base Course

321 PLACEMENT AND CONSTRUCTION OF ASPHALT CONCRETE PAVEMENT

321.13 Payment:
ADD the following:
The asphalt concrete measured as provided above will be paid for at the contract price per ton or square yard, as adjusted per Section 321.10, which price shall be full compensation for the item complete, as herein described and specified.

Pay Item: 321.13.1 Asphaltic Concrete, Type C 3/4, 3” Thick, w/Thickened Pavement Edge (SY)

340 CONCRETE CURB, GUTTER, SIDEWALK, CURB RAMPS, DRIVEWAY AND ALLEY ENTRANCE

ADD the following Section:

340.3.11 ADA-Compliant Sidewalk Ramps
A. All sidewalk ramps shall conform to Section 405, 2010 ADA Standards for Accessible Design.
B. All ramp runs must adhere to the following requirements as described in Section 405.1 through 405.6:
   a. Any ramp run shall have a rise of no more than 30 inches.
   b. Ramp runs shall of a slope no steeper than 12:1 except for short runs that meet the requirements below:
      i. For runs with a maximum rise of 3 inches, a maximum slope of 8:1 is permitted.
ii. For runs with a maximum rise of 6 inches, a maximum slope of 10:1 is permitted.

c. Ramp runs shall be constructed with a cross slope no steeper than 48:1.

d. All ramp runs shall be constructed with a minimum clear width between handrails of 36 inches.

C. All ramp landings must adhere to the following requirements as described in Section 405.7:

a. Landings shall be level wherever possible; however, a maximum slope of 48:1 is permitted.

b. Landings shall have a width at least that of the widest ramp run.

c. Landings shall have a minimum clear length of 60 inches.

d. Landings where intersecting runs change direction shall be at least 60 inches wide x 60 inches long.

D. All ramps with a rise greater than 6 inches must be constructed with handrail in accordance with Section 405.8.

E. Edge protection shall be provided on all ramps in accordance with Section 405.9

ADD the following Section:

340.5.4 ADA-Compliant Sidewalk Ramps:

All ADA-Compliant sidewalk ramps shall be treated as normal concrete flat work and shall be measured in accordance with Section 340.5.2 and shall include the construction of all necessary structural elements and appurtenances except for retaining walls and handrail.

340.6 Payment:

ADD the following:

Pay Item: 340.6.1 Concrete Sidewalk (SF)
Pay Item: 340.6.2 Single Curb (LF)
Pay Item: 340.6.3 Valley Gutter (SF)
Pay Item: 340.6.4 Retaining Walls for Sidewalk Ramps (LF)

SECTION 345: ADJUSTING FRAMES, COVERS AND VALVE BOXES

345.5 Adjusting Manhole And Valve Covers With Adjustment Rings

REMOVE in its entirety and REPLACE with the following:

Existing sanitary sewer manhole and covers shall be salvaged to the Town. All salvaged items shall be delivered to the Town of Chino Valley Public Works office at 1982 Voss Drive Chino Valley, AZ.

Adjusting rings may be used to raise manhole covers in conformance to the dimensions noted on QCSD Detail 420Q-1. The amount of adjustment, thickness of seal or overlay, and cross slope will be considered when using adjusting rings. Each location where an adjusting ring is used must have a sufficient depth of
asphalt to assure the proper installation and operation of the ring. The rings shall be made of concrete and installed per the manufacturer’s specifications. The rings shall be approved by the Engineer.

The concrete collar ring around the frame or valve box shall be circular, shall be a minimum of 8 inches thick, struck off and finished ¼ inch below with the adjacent new pavement surface. Concrete shall be a minimum of Class AA. All concrete shall be obtained from plants approved by the Engineer.

A single No. 4 rebar hoop will be placed in each concrete collar in accordance with the respective detail. The hoop diameter shall be such that its placement is centered between the edge of the manhole frame or valve box, and the outer edge of the concrete collar, the depth of the hoop shall be centered in the thickness of the collar. Each concrete ring shall be scored radially at quarter-circle points. Score lines shall be ¼ inch wide by ¼ inch deep. The concrete collar surface shall be rough broom finished. (See QCSD GES Detail 270Q).

Traffic shall not be allowed on the concrete collars until the concrete has reached a minimum compressive strength of 2,500 psi on residential and 3,000 psi on collector and major streets.

On major streets the Contractor shall use “high-early” in the concrete mix, approved by the Engineer, to minimize delay in reopening the street(s) to traffic.

All machined surfaces on the frame and cover shall be such that the cover will lie flat in any position in the frame and have a uniform bearing through its entire circumference. Any frame and cover which creates any noise when passed over by automobiles shall be replaced by the Contractor at the Contractor’s expense.

345.6 Measurement

ADD the following:

Measurement for adjusting existing frames, covers, valve boxes, and water meter boxes to finished grade shall be the actual number of each type adjusted and accepted.

Measurement for adjusting new frames, covers, valve boxes, and water meter boxes shall not be measured as adjustment to finished grade is considered incidental to installation of the respective item.

Payment:

ADD the following:

The unit price bid for adjusting existing frames, covers, valve boxes, and water meter boxes to finished grade shall be per each type adjusted and accepted.

Pay Item: 345.6.1 Adjust Cleanout Frame and Cover (EA)
Pay Item: 345.6.2 Adjust Stormdrain Manhole Frame and Add Cover (EA)

350 Removal of Existing Improvements

REPLACE in its entirety with the following:

350.1 Description:

The work under this section shall consist of the removal, wholly or in part, and satisfactory disposal of all structures and obstructions within the right-of-way which have not been designated on the project plans or specified in the Special Provisions to remain, except for those structures and obstructions which are to be
removed and disposed of under other items of work in the contract. The work shall also include salvaging of designated materials and backfilling the resulting cavities.

Existing structures, pavement, sidewalks, curbs, gutters and other existing improvements which are to become an integral part of the planned improvements shall remain even though not specifically noted.

Materials removed and not designated to be salvaged or incorporated into the work shall become the property of the contractor.

All existing utilities not designated for removal shall remain in place and be protected against damage.

The removal of existing improvements shall be conducted in such a manner as not to injure active utilities or any portion of the improvement that is to remain in place.

350.2 Construction Methods:

Bridges, culverts and other structures in use by traffic shall not be removed until satisfactory arrangements have been made to accommodate the traffic. Blasting or other operations necessary for the removal of an existing structure or obstruction, which may damage new construction, shall be completed prior to commencing the new work.

Items designated to be salvaged shall be carefully stockpiled or stored by the contractor at locations designated in the Special Provisions or as directed by the Engineer.

Items which are to be salvaged or reused in the new construction and are damaged or destroyed as a result of the contractor's operations shall be repaired or replaced by the contractor at no additional cost to the Town.

Holes, cavities, trenches and depressions resulting from the removal of structures or obstructions, except in areas to be excavated, shall be backfilled with suitable material which shall be compacted to a density of not less than 95 percent of the maximum density as determined in accordance with the requirements of Section 601 or Section 211. Backfill of all excavated areas below structures shall be in accordance with Section 206.4.

350.3 Removal of Pavement:

F. Portland Cement Concrete Pavement:

Unless otherwise specified in the Special Provisions, concrete pavement designated on the project plans to be removed shall be removed from the job site and disposed of at a site secured by the contractor.

Where new construction is to join the existing concrete pavement, the pavement shall be saw cut to a true line perpendicular to the centerline of the pavement with straight vertical edges free from irregularities.

G. Bituminous Pavement:

Unless milling is noted on the plans or is a bid item, all bituminous pavement designated on the project plans to be removed, shall be completely removed down to the underlying base course or subgrade. The pavement material shall be removed and disposed of at a site secured by the contractor.

Where new construction is to join existing bituminous pavement, the existing pavement shall be cut to a true line perpendicular to the centerline of the pavement with straight vertical edges free from irregularities. The removal of asphaltic concrete at the approaches to structures shall be accomplished in a manner approved by the Engineer.
Measurement and Payment:
The unit bid price for removal of asphalt pavement shall be made per square yard.

Pay Item: 350.3.1 Remove Existing Asphalt Pavement \(\text{(SY)}\)

350.4 Removal of Block Walls:
A. The existing block wall to be removed shall be salvaged and stored on-site for reuse unless otherwise specified on the plans.

Measurement and Payment:
The unit price bid removal and salvaging of the existing block wall shall be per linear foot.

Pay Item: 350.3.1 Remove and Salvage Existing Block Wall \(\text{(LF)}\)

350.7 Removal of Signs and Delineators:
Street signs, traffic control signs, traffic signal material and control devices shall be removed as designated on project drawings, salvaged and delivered to the Town at the site designated by the Engineer. The contractor shall dismantle the sign panels and delineators and remove the sign posts from the ground in such a manner as to prevent damage to the posts. The contractor shall not remove the existing signs prior to the completion of the new sign installation, but shall remove them within five working days after the installation of the new signs or as directed by the Engineer.

350.8 Removal of Fence:
All fence to be removed, shall become the property of the contractor unless it can be salvaged for new location as shown on the project plans. All fence, including gates shall be salvaged (or removed) in accordance with the requirements of Subsection 202-3.01.

When designated for salvage, fence and gates shall be carefully dismantled and neatly rolled or coiled. Posts shall be cleaned of all concrete and dirt.

In areas where new fence or relocated fence is to be installed, Contractor shall perform the removals in such a manner as to prevent the escape of any livestock and/or domestic pets, including the placement and removal of temporary fence when necessary.

Measurement and Payment:
Payment shall be made based on the unit price bid for removal of existing fence per linear foot as determined by the CONTRACTOR and shall include any replaced and salvaged fence for reuse in new fence location.

Pay Item: 350.8.1 Remove Existing 6’- High Fence \(\text{(LF)}\)

400 RIGHT-OF-WAY AND TRAFFIC CONTROL

401 TRAFFIC CONTROL

401.1 Description:
REPLACE with the following:
Traffic control during construction shall be performed in accordance with MAG Section 401 and the Manual on Uniform Traffic Control Devices for Streets and Highways, US Department of Transportation Federal Highway Administration, latest edition with the latest revisions, Arizona Department of Transportation Traffic Control Manual, the project plans, and as stated herein.

(A) Prior to beginning the project, Contractor shall submit for approval a Traffic Control Plan for the entire project. He must obtain approval from the Engineer for the Traffic Control Plan and Schedule prior to any construction. Contractor shall submit the Traffic Control Plan to the Director of Public Works at or before the project preconstruction conference.

(B) Written notice shall be given to the Engineer or his representative on the job 48 hours prior to any changes in detours or routes of access. The notice shall give specific details with maps showing the access to all residences and businesses affected by the project.

(C) The Police and Fire Departments shall be continually updated on access routes along and through the site during construction.

401.2 Traffic Control Devices: ADD the following:

(C) All traffic control devices required for the project shall be the responsibility of Contractor.

(D) When required to cross, obstruct, or close a street, traffic way, or sidewalk for a short duration that is approved by the Director of Public Works, the Contractor shall provide and maintain suitable bridges, detours or other approved temporary means for the accommodation of vehicular and pedestrian traffic.

(E) When traffic conditions at the construction site warrant the use of certified police personnel to direct traffic, arrangements shall be made with the Town of Chino Valley Police Department, Yavapai County, or Department of Public Safety for off-duty officers.

401.6 Measurement: DELETE in its entirety

401.7 Payment: DELETE in its entirety

ADD the following:

401.6 Measurement and Payment:

Payment for traffic control shall be at the applicable unit price bid in the Contract Documents.

1. Preparation of traffic control plan shall be inclusive of all submittals, reviews and if needed, re-submittals.

2. Flaggers for directing traffic.

3. Barricades and storage shall be included in the bid item and shall be inclusive of all temporary signs and devices in the traffic control plan and as required by the MUTCD and the Engineer.

4. Incidental traffic related items shall include all other pertinent tools, equipment, devices and or work required to provide safe and effective traffic control in accordance with the approved traffic control plan, the MUTCD and the Engineer.
403.1 Permanent Signing, Sign Posts and Delineators

Work under this item shall be done in accordance with the project drawings and requirement of the Manual on Uniform Traffic Control Devices (MUTCD), MAG Detail 131, and ADOT Signing and Marking Standards.

A. General Signing Guidelines

1. All signing shall conform to the most recent editions of the publications shown above with regard to size, color, shape and placement.

2. All signs shall be new (other than those shown to be relocated). All new and relocated signs shall be mounted on new posts with new hardware. Signs designed for installation on existing street light poles shall be mounted with new hardware.

3. Traffic sign dimensions, colors and lettering shall conform to the latest MUTCD specifications. Traffic sign size shall be standard unless otherwise specified here or on the plans.

4. All non-mountable curb section signs shall be located at least two (2'') feet from the curb face to the nearest edge of the sign. All other roadways signs shall be mounted from six (6'') feet to twelve (12'') feet from the edge of the pavement to the nearest edge of the sign, unless otherwise noted in the sign summary table or on the plans.

5. Roadways with guardrail signs shall be located at least six (6'') feet from the face of the guard rail to the nearest edge of the sign, unless otherwise noted in the sign summary table or on the plans.

6. Sign location shall be coordinated with landscaping plans to ensure sign visibility per AASHTO standards.

7. Signs shall be mounted on street light poles whenever feasible.

8. All signs installed in areas where parking or pedestrian movements occur shall typically be erected at a height of seven (7'') feet above the normal edge of pavement or sidewalk to the bottom of the sign or to the lowest sign in a multiple sign installation assembly with the following exceptions:
   a. The height to the bottom of a secondary sign mounted below another sign may be up to two (2'') feet less than the height specified above.
   b. If the bottom of a secondary sign that is mounted below another sign is mounted lower than 7 feet above a pedestrian sidewalk or pathway, the secondary sign shall not project more than four (4'') inches into the pedestrian facility.
   c. Object markers shall be installed at least four (4'') feet above the normal edge of pavement.

9. All R1-1 “STOP” signs and pedestrian warning signs shall be reflective with all reflective sheeting material to be diamond grade.

10. All other signs are to be reflective with all reflective sheeting material to be high intensity prismatic meeting or exceeding ASTM 4956-04.

11. Sign blanks shall be 5052-H38 alloy treated aluminum with Alodine 1200 conversion coating, 0.080” thick with rounded corners.
12. Stop signs are to be shown at all local street intersections within a subdivision unless an engineering study shows that no control or yield control is warranted. Stop signs shall be designed and shown at all collector and non-signalized arterial street intersections.

13. Stop signs and Yield signs shall be a minimum of thirty (30") inches in width. When specified by the City Traffic Engineer thirty-six (36") inch and/or forty-eight (48") inch signs may be required on major collectors and arterial streets.

B. SIGN POSTS

1. Sign posts shall conform to the Quad City Standard Detail 131Q.

2. For new construction the Telspar, Uni-strut or approved equal twelve gauge, galvanized steel, four (4) sided perforated square tubing is required. Two (2") inch tubing shall be used for all signs.

3. The post shall be tall enough to provide the minimum clearances specified in section A (8).

4. The base and sleeve system for the sign shall be anchored in a minimum of a twenty-four (24") inch deep, twelve (12") inch diameter foundation of concrete. The base shall have a breakaway slip base system. The exposed post from the base shall be four (4") inches to six (6") inches high.

5. Signs over forty-eight (48") inches wide shall be mounted on two (2), two and one-half (2½") inch posts with a horizontal support frame.

6. All station locations are approximate. The Contractor shall verify actual sign locations with the Engineer prior to the installation of all signs.

7. The Contractor shall verify post lengths and elevations prior to installation.

Measurement and Payment:
Measurement and payment shall be the unit price per each for posts and delineators and per square foot for sign panels, complete and in place.

Pay Item: 403.1.1 Sign Posts and Delineators

420 CHAIN LINK FENCES

420.2 Materials:
ADD the following:

Chain-linked fence materials and appurtenances shall conform to the requirements of ADOT Standard Detail 12.20, Type 1, Chain link fence and Section 902, ADOT Standard Specifications.

420.5 Payment:
ADD the following:

The price bids for 6'-high and 4'-high chain link fence shall include full compensation for furnishing all labor, materials, tools, and equipment, and doing all the work involved in constructing the fence complete in place as specified on the plans, and in the Special Provisions. A separate price bid for the swinging gate shall include the cost of manufacturing and installing the gate.

Pay Item: 420.5.1 6'-High Chain link Fence (LF)
Pay Item: 420.5.2 4'-High Chain link Fence (LF)
Pay Item:  420.5.3 24' Swinging Double Cantilever Gate Assembly  (EA)

520  STEEL AND ALUMINUM HANDRAILS

520.2 Fabrication

ADD the following:

Railing panels shall be fabricated with one additional rail at the bottom that will serve as a barrier for the ADA-compliant ramps. The clear space between the bottom rail and the sidewalk shall be no more than 4" as described in Section 405.9.2, 2010 ADA Standards For Accessible Design.

ADD the following:

520.5 Payment

The price paid per linear foot for handrailng shall include full compensation for furnishing all labor, materials, tools, and equipment and doing all work involved in constructing the railing complete in place as shown on the plans and specified herein.

Pay Item: 520.5.1 Handrail

601  TRENCH EXCAVATION, BACKFILLING AND COMPACTION

601.1 Description:  ADD the following:

A. Unless specifically identified, no investigation of subsurface soil conditions for water or sewer main installation has been made for project limits.

B. Excavation, backfilling and compaction shall be in accordance with this Section and QC Standard Details as noted.

C. All water encountered during the work shall be disposed of by the Contractor in a manner such that it will not damage public or private property or create a public nuisance or health problem. The costs of furnishing pumps, pipes, special bedding, and over excavation as required to provide a stable foundation, and other equipment and materials shall be incidental to the work in accordance with Section 200.1 of these specifications.

601.2.3 Trench Grade: REPLACE the first paragraph with the following:

All construction staking shall be in accordance with Specification Section 105.8.

REPLACE the second paragraph with the following:

For all pipe, the Contractor shall excavate for and provide an initial granular bedding at least 6 inches thick. This bedding material shall be placed at a uniform density with minimum compaction and fine graded as specified below.

601.2.5 Over Excavation:  REPLACE the second paragraph with the following:

Unauthorized excavation below the specified grade line shall be refilled at the Contractor's expense with bedding material compacted to a uniform density of not less than 95 percent of the maximum density as determined by AASHTO T-99 and T-191 or ASTM D6938. When AASHTO T-99, method A or B, and T-191 are used for density determination, ARIZ 227c will be used for rock correction.

ADD the following Section:
No separate measurement or payment shall be made for trench excavation, backfilling, compaction, or placement of temporary pavement. This work shall be included in the respective unit bid price for water, sewer, or storm main and lateral construction.

Rock excavation within the roadway excavation limits shall not be measured separately. It will be included in Roadway Excavation. No separate payment will be made for roadway rock excavation. It shall be combined as one item under roadway excavation.

Rock Excavation within structural excavation limits shall not be measured separately. It will be considered incidental and shall be included in the appropriate bid item.

Rock excavation within trenches shall be measured in accordance with the following:

a. Width of trench for rock excavation shall be based on pipe outside diameter plus 24 inches.

b. Depth for rock excavation shall be actual depth from top of rock to bottom of rock, or to bottom of normal bedding section, whichever depth occurs first.

601.8 Payment:

No separate payment shall be made for trenching. This work shall be considered incidental and included in the unit price bid for construction or installation of the appropriate contract pay items.

610 Water Line Construction

610.9

REPLACE with the following:

a. The Contractor shall furnish all labor, materials, and equipment necessary to relocate fire hydrants to locations shown on the plans in accordance with the QC Standard Details and Special Provisions.

b. If paint is chipped, scuffed, or otherwise damaged during handling and installation, the Contractor shall touch up such spots as may be designated by the Engineer.

c. All hydrants must be flushed and left in good working condition with the control valve open.

ADD the following:

610.10 Measurement & Payment

The price bid for fire hydrant relocation will be a lump sum amount determined by the contractor and will include all work necessary for moving the fire hydrant including backfilling excavated trenches and surface replacement.

Pay Item: 610.10.1 Fire Hydrant Relocation (LS)

700 Materials

710 Asphalt Concrete

SECTION 710.2.1 Asphalt Binder: shall be deleted and replaced as follows:

a. The asphalt binder shall be a Performance Grade (PG) PG 64-22 Asphalt conforming to the requirements of AASHTO M 320-09 Performance-Graded Asphalt Binder. The binder grade shall be as specified in the contract documents or as directed by the Engineer.
b. The Engineer may review a request by the Contractor to change from a PG 64-22 binder grade to a PG 64-16 grade. The owner may require the Contractor to provide supporting justification and/or data for changing the grade of binder from PG 64-22 to PG 64-16.

SECTION 710.3.2 Mix Design Criteria: add the following:

a. The intent of this supplement is to use only 1/2 inch or 3/4 inch Marshall or Gyratory Mix Designs within the specification unless specifically called out in the project specifications.

b. The asphalt mix design shall be for high traffic volume, unless otherwise specified.

SECTION 710.3.2.1 Marshall Mix Design: make the following change:

a. In Table 710-3 change the Tensile Strength Ratio minimum percent requirement from 65 to 75. A tensile strength ratio of 75 percent may require more than one percent mineral admixture.
EXHIBIT B
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Substitution/Equal Request Form]

See following pages.
SUBSTITUTION/EQUAL REQUEST FORM

CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

Bidder ______________________ hereby submits for Town’s consideration the following product, instead of the specified item, for the above Project.

1.  

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
<th>Paragraph/Line</th>
<th>Specified Item</th>
</tr>
</thead>
</table>

Proposed Substitution: ________________________________

Statement indicating why specified product, fabrication or installation cannot be provided, if applicable:

____________________________________________________

(NOTE: See Article II – Bid Process; Bid Award, Section 2.4(C), Approval of Substitutions, or Section 2.4(D), Use of Equals, as applicable, for additional criteria concerning prior approval for substitutions or use equals of material and equipment.)

2.  

Attach complete product description, drawings, photographs, performance and test data, and other information necessary for evaluation, indicating by highlighting all comparable data between specified item and proposed substitution or equal. Identify specific model numbers, finishes, options, etc.

A.  Will changes be required to Project design (architecturally, structurally, mechanically or electrically) in order to properly install proposed substitution? Yes _____ No _____ If Yes, explain:

____________________________________________________

B.  Will the undersigned pay for changes to the Project design, including engineering and drawing costs, caused by requested substitution? Yes _____ No _____

C.  List differences between proposed substitution and specified item. Include annotated copy of applicable Specification Section.

<table>
<thead>
<tr>
<th>Specified Item</th>
<th>Proposed Substitution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

D.  Does substitution affect Drawing dimensions? Yes _____ No _____ If Yes, explain:

____________________________________________________

E.  What effect does substitution have on other trades? __________________________________________

F.  Does manufacturer’s warranty of proposed substitution differ from that specified? 
Yes _____ No _____ If Yes, explain: __________________________________________________________
G. Will substitution affect progress schedule? Yes ____ No ____ If Yes, explain:
__________________________________________________________________________________

H. Will substitution require more license fees or royalties than specified product?
Yes ____ No ____ If Yes, explain: ________________________________________________________
__________________________________________________________________________________

I. Will maintenance and service parts be locally available for substitution?
Yes ____ No ____ If Yes, explain: ________________________________________________________
__________________________________________________________________________________

J. Will substitution be compatible with all adjacent material and/or applications to or on the
proposed substitution? Yes ____ No ____ If no, explain what material substitutions will be required
to make your proposed substitution compatible: ____________________________________________
__________________________________________________________________________________

List materials that will be required to provide compatibility: __________________________________
__________________________________________________________________________________

3. The undersigned hereby assumes all responsibility for all provisions indicated herein and agrees that, if
adequate comparable information is not provided as required by Section 2.4(C), Approval of Substitutions,
or Section 2.4(D), Use of Equals, as applicable, and this Form, the proposed substitution or equal shall be
subject to rejection.

4. The undersigned understands and agrees that the substitution requested, including all supporting data, will
only be considered if it is submitted to the Town Representative 10 full Days prior to the Bid Deadline.
Telegraphic (facsimile) or electronic (email) copies will not be considered.

Submitted by: _________________________________________________________________________

Signature ____________________________________________________________________________

Print Name __________________________________________________________________________

Title ________________________________________________________________________________

Company Name _______________________________________________________________________

Address ______________________________________________________________________________

Town, State, Zip Code __________________________________________________________________

Date __________ Telephone No. __________________________

For Town’s Use Only:

□ Accepted

□ Rejected

Remarks: ______________________________________________________________________________

_____________________________________________________________________________________

Signature ____________________________________________________________________________

Print Name __________________________________________________________________________

Date ________________________________________________________________________________
EXHIBIT C
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Price Sheet]

See following page.
# PRICE SHEET

CHINO VALLEY UNIFIED SCHOOLD DISTRICT IMPROVEMENT PROJECT

**NOTE:** All pricing blanks must be filled in. Incomplete or unfilled spaces in the Bid Price Sheet shall result in a determination that a Bid is non-responsive.

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description of Materials and/or Services</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>105.16.1</td>
<td>Construction Staking</td>
<td>1</td>
<td>LS</td>
<td>$8,200.00</td>
<td>$8,200.00</td>
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<td>109.10.1</td>
<td>Mobilization Roadway Construction</td>
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<td>LS</td>
<td>$9,101.66</td>
<td>$9,101.66</td>
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<tr>
<td>109.11.1</td>
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<td>1</td>
<td>LS</td>
<td>$20,000.00</td>
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<tr>
<td>205.8.1</td>
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<td>432</td>
<td>CY</td>
<td>$11.00</td>
<td>$4,752.00</td>
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<td>211.6.1</td>
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<td>CY</td>
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<td>220.7.1</td>
<td>Hand-Placed Riprap</td>
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<td>SY</td>
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<td>300.1.1</td>
<td>Sawcut Pavement</td>
<td>341</td>
<td>LF</td>
<td>$2.00</td>
<td>$682.00</td>
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<tr>
<td>301.8.1</td>
<td>Sub Grade Preparation</td>
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<td>SY</td>
<td>$3.00</td>
<td>$4,368.00</td>
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<td>310.1.1</td>
<td>Reclaimed Asphalt Pavement Millings (2.5&quot;)</td>
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<td>SY</td>
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<td>310.5.1</td>
<td>Aggregate Base Course (4&quot; &amp; 6&quot;)</td>
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<td>CY</td>
<td>$85.00</td>
<td>$28,135.00</td>
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<td>321.13.1</td>
<td>Asphalt Concrete, Type C 3/4, 3&quot; Thick, w/Thickened Pavement Edge</td>
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<td>SY</td>
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<td>$34,944.00</td>
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<tr>
<td>340.6.1</td>
<td>Concrete Sidewalk</td>
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<td>340.6.2</td>
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<td>LF</td>
<td>$21.00</td>
<td>$2,196.00</td>
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<tr>
<td>340.6.3</td>
<td>Valley Gutter</td>
<td>654</td>
<td>SF</td>
<td>$12.00</td>
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<td>340.6.4</td>
<td>Retaining Walls for Sidewalk Ramps</td>
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<td>EA</td>
<td>$580.00</td>
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</table>

Continued on next page
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<thead>
<tr>
<th>Item No.</th>
<th>Description of Materials and/or Services</th>
<th>Qty</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
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<td>Adjust Stormdrain Manhole Frame and Add Cover</td>
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<td>Remove and Salvage Existing Block Wall</td>
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<td>LF</td>
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<td>$1,525.00</td>
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<td>350.8.1</td>
<td>Remove Existing 6'-High Fence</td>
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<td>LF</td>
<td>$7.00</td>
<td>$931.00</td>
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<td>403.1.1</td>
<td>Sign Posts and Delineators</td>
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<td>EA</td>
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<td>6'-High Chain Linked Fence</td>
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<td>LF</td>
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<td>$1,540.00</td>
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<td>420.5.2</td>
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<td>LF</td>
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<td>$12,535.00</td>
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<td>$5,500.00</td>
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<td>520.5.1</td>
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<td>493</td>
<td>LF</td>
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<td>$30,560.00</td>
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<td>610.10.1</td>
<td>Fire Hydrant Relocation</td>
<td>1</td>
<td>LS</td>
<td>$6,000.00</td>
<td>$6,000.00</td>
</tr>
</tbody>
</table>

**TOTAL CONSTRUCTION COST** $26,126.00

*ALL BIDS ARE PRESUMED TO INCLUDE ALL APPLICABLE TAXES. PLEASE BE ADVISED THAT ARIZ. REV. STAT. § 42-5075(P) APPLIES TO THE PROJECT CONTEMPLATED WITHIN THIS CONTRACT. CONTRACTOR IS RESPONSIBLE FOR ENSURING THAT ALL WORK CONTEMPLATED BY THE PLANS FOR THE PROJECT IS BID ON THE PRICE SHEET.*

Company Name: **Asphalt Paving & Supply, INC.**

Date: 6/1/2020
EXHIBIT D
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Federal Requirements]

Not applicable to this Project.
EXHIBIT E
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Licensees; DBE/WBE Status]

See following page.
LICENCES; DBE/WBE STATUS

CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

Attach a copy of your Contractor's License to your bid submittal.

Attach a copy of your Business License to your bid submittal.

* Business License must be a current Arizona Transaction Privilege (Sales) Tax License reflecting the Town as a reporting jurisdiction or current Town Business License.

Has your firm been certified by any jurisdiction in Arizona as a minority or woman owned business enterprise?  Yes_______,  No _______.

If yes, please provide details and documentation of the certification.
IMPORTANT NOTICE
YOU MUST:

1.) REPORT DISASSOCIATION OF QUALIFYING PARTY IN WRITING WITHIN 15 DAYS. [SEE A.R.S. § 32-1154(A)(18)]
2.) REPORT A CHANGE OF ADDRESS IN WRITING WITHIN 30 DAYS. [SEE A.R.S. § 32-1122(B)(1)]
3.) REPORT ANY TRANSFER OF OWNERSHIP OF 50% OR MORE IMMEDIATELY [SEE A.R.S. § 32-1151.01]
4.) REPORT ANY CHANGE IN LEGAL ENTITY, SUCH AS ANY CHANGE OF THE OWNERSHIP IN A SOLE PROPRIETORSHIP OR CHANGE OF A PARTNER IN A PARTNERSHIP OR THE CREATION OF A NEW CORPORATE ENTITY. [SEE A.R.S. § 32-1124(B)(F) § RULE R-4-9-110]

Asphalt Paving & Supply Inc
2425 N Glassford Hill Rd
Prescott Valley, AZ 86314-3503

LICENSE EFFECTIVE THROUGH: 2/28/2022
STATE OF ARIZONA
Registrar of Contractors CERTIFIES THAT
Asphalt Paving & Supply Inc
CONTRACTORS LICENSE NO. ROC 192405 CLASS A
General Commercial
General Engineering
THIS CARD MUST BE PRESENTED UPON DEMAND
JEFF FLEETHAM, DIRECTOR
TOWN OF CHINO VALLEY, ARIZONA
1982 VOSS DRIVE
CHINO VALLEY, ARIZONA 86323

BUSINESS LICENSE

This license MUST BE POSTED in a conspicuous place at the business location (if no fixed place of business, license must be carried on the person conducting the business.)

BUSINESS LICENSE:
AGGREGATE CONSTRUCTION
2425 N GLASSFORD HILL ROAD
PRESCOTT VALLEY, AZ 86314

FEE PAID
50.00

EXPIRES
12/31/2020

LICENSEE:

ASPHALT PAVING & SUPPLY, INC
2425 N. GLASSFORD HILL ROAD
PRESCOTT VALLEY, AZ 86314

THIS LICENSE IS NOT TRANSFERABLE OR ASSIGNABLE

Town Clerk
EXHIBIT F
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

References

See following page(s).
REFERENCES

CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

Provide the following information for three clients for whom Bidder has successfully completed similar projects as set forth in Section 2.15 within the past 60 months. Failure to provide three accurate and suitable references will result in disqualification. Bidder may also attach another sheet with additional references.

1. **Company:**
   - **Address:**
   - **Town/State/Zip Code:** Prescott, AZ 86301
   - **Contact:** Tim Shafer
   - **Telephone Number:** 928-727-1130
   - **Date of Contract Initiation:** 4/22/2019
   - **Date of Contract Expiration:** 8/27/2019
   - **Final Project Cost:** $456,703.90
   - **Project Description:** Willow Lake Dr & Prescott Lckz, Daily Intersection

2. **Company:**
   - **Address:** 1251 W. Jackson St., MD 121F
   - **Town/State/Zip Code:** Phoenix, AZ 85007
   - **Contact:** Alvin Summ
   - **Telephone Number:** 602-777-7221
   - **Date of Contract Initiation:** 10/26/2018
   - **Date of Contract Expiration:** 8/14/2019
   - **Final Project Cost:** $1,259,400.00
   - **Project Description:** Penwa, Turn Lanes

3. **Company:**
   - **Address:** 433 N. Vantage St.
   - **Town/State/Zip Code:** Prescott, AZ 86301
   - **Contact:** Tim Shafer
   - **Telephone Number:** 928-727-1130
   - **Date of Contract Initiation:** 4/24/2018
   - **Date of Contract Expiration:** 6/27/2018
   - **Final Project Cost:** $22,637.66
   - **Project Description:** Hassayampa Village Ln. Intersection Imp
EXHIBIT G
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Bid Bond]

See following page.
BID BOND

CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, Asphalt Paving & Supply, Inc. (hereinafter called Principal), as Principal, and Western Surety Company, a corporation organized and existing under the laws of the State of South Dakota with its principal office in the Town of Sioux Falls (hereinafter called the Surety), as Surety, are held and firmly bound unto the Town of Chino Valley, (hereinafter called the Obligee) in the penal sum of Ten Percent (10%) of Bid Amount, ___________________________ (Dollars) ($______________) lawful money of the United States of America, to be paid to the order of the Town of Chino Valley, for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents and in conformance with A.R.S. Section 34-201.

Chino Valley Unified School

WHEREAS, the Principal has submitted a bid/proposal for District Improvement Project.

NOW, THEREFORE, if the Obligee accepts the proposal of the Principal and the Principal enters into a Contract with the Obligee in accordance with the terms of the proposal and gives 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 Obligee the difference not to exceed the penalty of the Bond between the amount specified in the proposal and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by the proposal 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.

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.

Witness our hands this 1st day of June 20 20.

Asphalt Paving & Supply, Inc.
Principal
Seal
By: ____________________________

Western Surety Company
Surety
Seal
By: ____________________________
Tony D. Becker, Attorney-in-Fact

Arthur J. Gallagher Risk Management Services, Inc.
Agency of Record
CORPORATE ACKNOWLEDGMENT

STATE OF ARIZONA

COUNTY OF YAVAPAI

On this 1st day of June, 2020 before me personally appeared MOVE McCOY, who being by me duly sworn, that he/she is the President of the Asphalt Paving and Supply, Inc. the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he/she signed his/her name thereto by like order.

SHERRY LEE ALEXANDER
Notary Public, State of Arizona
Yavapai County
Commission # 592980
My Commission Expires
September 16, 2022

(Notary Seal)

ACKNOWLEDGMENT OF CORPORATE SURETY

STATE OF MINNESOTA

COUNTY OF HENNEPIN

On this 1st day of June, 2020 before me appeared Tony D. Becker to be known, who being by me duly sworn, did say that he is the aforesaid Attorney-in-Fact of the Western Surety Company, a corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by the aforesaid officer, by authority of its Board of Directors; and the aforesaid officer acknowledged said instrument to be the free act and deed of said corporation.

CAROL A. WEBER
Notary Public
Minnesota
My Commission Expires Jan. 31, 2025

(Notary Seal)
POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Mark A Gresser, Tony D Becker, David J Howard, Anita M Ficker, Michael B Baumann, Carol A Weber, Christina Gresser, Stacey Gohl, Jeri M Frederick, Brian Nohava, Tamara Denning, Megan Rivera, Individually

of Bloomington, MN, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 26th day of March, 2020.

WESTERN SURETY COMPANY

Paul T. Bruflat, Vice President

State of South Dakota
County of Minnehaha } ss

On this 26th day of March, 2020, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

June 23, 2021

J. Mohr
J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 1st day of June, 2020.

WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Go to www.cnasurety.com > Owner / Obligee Services > Validate Bond Coverage, if you want to verify bond authenticity.
EXHIBIT H
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Key Personnel/Subcontractor Listing]

See following page.
# Key Personnel/Subcontractor Listing

**Chino Valley Unified School District Improvement Project**

Key Personnel and Subcontractors listed herein shall be utilized on this Project.

<table>
<thead>
<tr>
<th>Category</th>
<th>Personnel/ Subcontractor Name, Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>Bob Hout, AP &amp; S, <a href="mailto:bhout@nicend.com">bhout@nicend.com</a></td>
</tr>
<tr>
<td>General Supt.</td>
<td>Clint Peterson, AP &amp; S, <a href="mailto:cpeterson@nicend.com">cpeterson@nicend.com</a></td>
</tr>
<tr>
<td>Arabian Construction (LC)</td>
<td>850 S. Gold Water Lane, Dewey, AZ, (928) 808-0058</td>
</tr>
<tr>
<td>Hot Az Hell Woolly</td>
<td>992 E. Pt. 4 North Chino Valley, AZ, (928) 713-4749</td>
</tr>
<tr>
<td>American Fence</td>
<td>7301 1st Street, Prescott Valley, AZ, (928) 772-6320</td>
</tr>
<tr>
<td>P&amp;T Masonry (Walls)</td>
<td>3275 N. Lynx Lake Dr, Prescott Valley, AZ, (602) 269-0151</td>
</tr>
<tr>
<td>Granite Radon Engineering (Survey)</td>
<td>1981 Commerce Center, C. Prescott, AZ, (928) 717-0171</td>
</tr>
</tbody>
</table>
EXHIBIT I
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Performance Bond]

See following page.
PERFORMANCE BOND

CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, ____________________________________________ (hereinafter called Principal), as Principal, and ____________________________________________, a corporation organized and existing under the laws of the State of __________________________, with its principal office in the Town of __________________________ (hereinafter called the Surety), as Surety, are held and firmly bound unto the Town of Chino Valley (hereinafter called the Obligee) in the amount of __________________________ (Dollars) ($________________________), for the payment whereof, the said 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 the Obligee, dated the ______ day of ______________________ 20__, for the material, service or construction described as __________________________________________ 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 faithfully performs and fulfills 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 this 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.

Witness our hands this ______ day of ______________________ 20__.

______________________________  ______________________________
Principal                          Seal

By: _____________________________________________________________

______________________________  ______________________________
Surety                           Seal

By: _____________________________________________________________

______________________________
Agency of Record

3794238.1
EXHIBIT J
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Payment Bond]

See following page.
PAYMENT BOND

CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

KNOW ALL PERSONS BY THESE PRESENTS:

THAT, ________________________, (hereinafter called Principal), as Principal, and ________________________, a corporation organized and existing under the laws of the State of ________________________, with its principal office in the Town of ________________________, (hereinafter called the Surety), as Surety, are held and firmly bound unto the Town of Chino Valley (hereinafter called the Obligee) in the amount of ________________________(Dollars) ($______________), for the payment whereof, the said 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 the Obligee, dated the ______ day of ________________ 20__, for the material, service or construction described as ________________________, 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 monies 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, 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, Article 2, Arizona Revised Statutes, to the same extent as if they were copied at 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.

Witness our hands this ______ day of ________________ 20__.

Principal

________________________

By: _______________________

________________________

Surety

________________________

By: _______________________

Agency of Record

3794238.1
EXHIBIT K
TO
INVITATION FOR BIDS
FOR
CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

[Acknowledgments of Addenda received]

See following page(s).
TOWN OF CHINO VALLEY

ADDENDUM NO. 1

CHINO VALLEY UNIFIED SCHOOL DISTRICT IMPROVEMENT PROJECT

Bid Opening: June 1, 2020
Time: 3:00 P.M. (local-time, Chino Valley, AZ)
Place: Town of Chino Valley
Public Works Department
1982 Voss Drive
Chino Valley, AZ 86323

Make all revisions to the specifications and contract documents stated herein. Insofar as original specifications and other documents are at variance with this Addendum, the Addendum shall govern. Attach this Addendum to the specification and acknowledge receipt of the Addendum at the end of the contract document.

This Addendum consists of 2 page(s).

SPECIFICATION CHANGES:

Technical Specifications, 100 General Conditions, 100.1 (C) Time of Completion shall be amended to read as follows:

1. The Contractor shall fully complete all work on or before August 4, 2020 as there will be no students present on either the Del Rio Elementary Campus or the Heritage Middle School campus. The Contractor shall at all times during the continuance of the Contract prosecute the work with such work force and equipment as is sufficient to complete the project within the time specified. In the event that the project is unable to be completed within these dates, students will be attending school and fingerprinting will be required pursuant to A.R.S. 15-512 Subsection H which states:

H. A contractor, subcontractor or vendor or any employee of a contractor, subcontractor or vendor who is contracted to provide services on a regular basis at an individual school shall obtain a valid fingerprint clearance card pursuant to title 41, chapter 12, article 3.1. A school district governing board shall adopt policies to exempt a person from the requirements of this subsection if the person's normal job duties are not likely to result in independent access to or unsupervised contact with pupils.

Addendum 1 – 5/26/2020
Also, should construction extend beyond the August 4, 2020 date, the contractor shall fully fence the project site with temporary construction fencing to ensure that no students can enter the work zone. Additionally, the contractor shall coordinate with the School District for any planned fire evacuation exercises.

No separate measurement or payment shall be made for fingerprinting, temporary fencing or School District coordination. This work shall be considered incidental and included in the unit price bid for construction of the appropriate contract pay items.

By

Frank Marbury, PE
Public Works Director

Date 5/26/20

By

Mike McCormick, President
Asphalt Paving & Supply, Inc.

Date 6/1/20