

**COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
PRECISION ELECTRIC CO., INC.**

THIS COOPERATIVE PURCHASING AGREEMENT (this "Agreement") is entered into as of July 8, 2019, between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and Precision Electric Co., Inc., an Arizona corporation (the "Contractor").

RECITALS

A. After a competitive procurement process, the City of Mesa (the "City") entered into Agreement No. 2017236, dated November 6, 2017 (the "City Contract"), for the Contractor to provide necessary staff, services and associated resources to provide the City with purchase and repair/rewind of electric motors. A copy of the City Contract is attached hereto as Exhibit A and incorporated herein by reference, to the extent not inconsistent with this Agreement.

B. The Town is permitted, pursuant to Section 3-3-27 of the Town Code, to make purchases under the City Contract, at its discretion and with the agreement of the awarded Contractor, and the City Contract permits its cooperative use by other public entities, including the Town.

C. The Town and the Contractor desire to enter into this Agreement for the purpose of (i) acknowledging their cooperative contractual relationship under the City Contract and this Agreement, (ii) establishing the terms and conditions by which the Contractor may provide necessary staff, services and associated resources to provide the City with purchase and repair/rewind of electric motors (the "Materials and Services"), and (iii) setting the maximum aggregate amount to be expended pursuant to this Agreement related to the Materials and Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Contractor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until July 7, 2020 (the "Initial Term"), unless terminated as otherwise provided in this Agreement or the City Contract. After the expiration of the Initial Term, this Agreement may be renewed for up to four successive one-year terms (each, a "Renewal Term") if: (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal in each subsequent year, (ii) the term of the City Contract has not expired or has been extended, (iii) at least 30 days prior to the end of the then-current term of this Agreement, the Contractor requests, in writing, to extend this Agreement for an additional

one-year term and (iv) the Town approves the additional one-year term in writing (including any price adjustments approved as part of the City Contract), as evidenced by the Town Manager's signature thereon, which approval may be withheld by the Town for any reason. The Contractor's failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Contractor, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. This is an indefinite quantity and indefinite delivery Agreement for Materials and Services under the terms and conditions of the City Contract. The Town does not guarantee any minimum or maximum number of purchases will be made pursuant to this Agreement. Purchases will only be made when the Town identifies a need and proper authorization and documentation have been approved. For purchase(s) determined by the Town to be appropriate for this Agreement, the Contractor shall provide the specific Materials and Services to the Town in such quantities and configurations agreed upon between the parties, in a written invoice, quote, materials order or other form of written agreement describing the materials to be delivered (each, a "Materials Order"). Each Materials Order shall (i) contain a reference to this Agreement and the Peoria Contract and (ii) be attached hereto as Exhibit B and incorporated herein by reference. A Materials Order submitted without referencing this Agreement and the Peoria Contract will be subject to rejection. Contractor acknowledges and agrees that a Materials Order containing unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement, other than Town's project-specific requirements, is hereby expressly declared void and shall be of no force and effect.

2.1 Inspection; Acceptance. All Materials and Services are subject to final inspection and acceptance by the Town. Materials failing to conform to the requirements of this Agreement and/or the City 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: (i) waive the non-conformance; (ii) stop the work immediately; or (iii) bring Materials or Services into compliance and withhold the cost of same from any payments due to the Contractor.

2.2 Cancellation. The Town reserves the right to cancel any work order within a reasonable time after issuance. Should a work order be canceled, the Town agrees to reimburse the Contractor, but only for actual and documentable costs incurred by the Contractor due to and after issuance of the work order. The Town will not reimburse the Contractor for any costs incurred after receipt of the Town notice of cancellation, or for lost profits, shipment of product prior to issuance of a work order or for anything not expressly permitted pursuant to this Agreement.

3. Compensation. The Town shall pay Contractor an amount not to exceed \$49,999.99 for the Materials and Services at the rates set forth in the City Contract.

4. Payments. The Town shall pay the Contractor monthly, based upon acceptance and delivery of Materials and/or Services performed and completed to date, and upon submission and

approval of invoices. Each invoice shall (i) contain a reference to this Agreement and the City Contract and (ii) document and itemize all work completed to date. The invoice statement shall include a record of materials delivered, time expended, and work performed in sufficient detail to justify payment. Additionally, invoices submitted without referencing this Agreement and the City Contract will be subject to rejection and may be returned.

5. Records and Audit Rights. To ensure that the Contractor and its subcontractors are complying with the warranty under Section 6 below, Contractor's and its subcontractors' books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Contractor and its subcontractors' employees who perform any work or services pursuant to this Agreement (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 evaluation of the Contractor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in Section 6 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 Agreement for the duration of the work and until three years after the date of final payment by the Town to Contractor pursuant to this Agreement. 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 Agreement.

6. 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 Agreement and may result in the termination of this Agreement by the Town.

7. Israel. Contractor certifies that it is not currently engaged in and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

8. Conflict of Interest. This Agreement may be canceled by the Town pursuant to ARIZ. REV. STAT. § 38-511.

9. Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and a suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

10. Agreement 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.

11. Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, the City Contract, the Proposal, and invoices, the documents shall govern in the order listed herein. Notwithstanding the foregoing, and in conformity with Section 2 above, unauthorized exceptions, conditions, limitations or provisions in conflict with the terms of this Agreement or the City Contract (collectively, the "Unauthorized Conditions"), other than the Town's project-specific requirements, are expressly declared void and shall be of no force and effect. Acceptance by the Town of any work order or invoice containing any such Unauthorized Conditions or failure to demand full compliance with the terms and conditions set forth in this Agreement or under the City Contract shall not alter such terms and conditions or relieve Contractor from, nor be construed or deemed a waiver of, its requirements and obligations in the performance of this Agreement.

12. Rights and Privileges. To the extent provided under the City Contract, the Town shall be afforded all of the rights and privileges afforded to the City and shall be the "City" (as defined in the City Contract) for the purposes of the portions of the City Contract that are incorporated herein by reference.

13. Indemnification; Insurance. In addition to and in no way limiting the provisions set forth in Section 12 above, the Town shall be afforded all of the insurance coverage and indemnifications afforded to the City to the extent provided under the City Contract, and such insurance coverage and indemnifications shall inure and apply with equal effect to the Town under this Agreement including, but not limited to, the Contractor's obligation to provide the indemnification and insurance. In any event, the Contractor shall indemnify, defend 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"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement.

14. Notices and Requests. Any notice or other communication required or permitted to

be given under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered to the party at the address set forth below, (ii) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (iii) given to a recognized and reputable overnight delivery service, to the address set forth below:

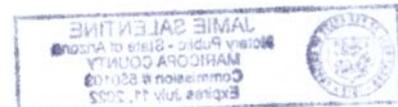
If to the Town: Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Grady E. Miller, Town Manager

With copy to: Pierce Coleman PLLC
4711 E. Falcon Dr., Ste. 111
Mesa, Arizona 85215
Attn: Aaron D. Arnson, Town Attorney

If to Contractor: Precision Electric Co., Inc.
1822 E. Jackson St.
Phoenix, Arizona 85034
Attn: Steve Belt

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 subsection. Notices shall be deemed received: (i) when delivered to the party, (ii) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (iii) 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.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

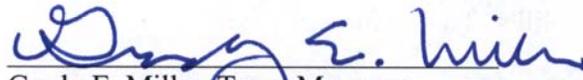


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

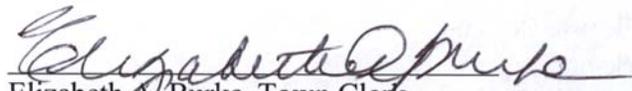
“Town”

TOWN OF FOUNTAIN HILLS,
an Arizona Municipal Corporation

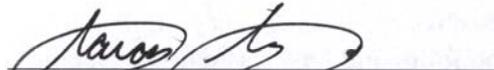
8.16.19


Grady E. Miller, Town Manager

ATTEST:


Elizabeth A. Burke, Town Clerk

APPROVED AS TO FORM:


Aaron D. Arison, Town Attorney

(ACKNOWLEDGEMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On August 14, 2019, before me personally appeared Grady E. Miller, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the Town of Fountain Hills.




Notary Public

(Affix notary seal here)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

EXHIBIT A
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
PRECISION ELECTRIC CO., INC.

[City Contract]

See following pages.



AGREEMENT PURSUANT TO SOLICITATION

**CITY OF MESA AGREEMENT NUMBER 2017236
ELECTRIC MOTORS – PURCHASE AND REPAIRS / REWINDS**

CITY OF MESA, Arizona (“City”)

Department Name	City of Mesa – Purchasing Division
Mailing Address	P.O. Box 1466 Mesa, AZ 85211-1466
Delivery Address	20 East Main St, Suite 400 Mesa, AZ 85201
Attention	Kristy Garcia, CPPB Procurement Officer
E-Mail	Kristy.Garcia@MesaAZ.gov
Telephone	(480) 644-5052
Facsimile	(480) 644-2655

AND

PRECISION ELECTRIC CO., (“Contractor”)

Mailing Address	1822 E. Jackson St. Phoenix, AZ 85034
Remit to Address	1822 E. Jackson St. Phoenix, AZ 85034
Attention	Todd Jordan, VP of Operations
E-Mail	todd@precisionelectric.com
Telephone	(602) 252-2821
Facsimile	(602) 257-1497

CITY OF MESA AGREEMENT PURSUANT TO SOLICITATION

This Agreement pursuant to solicitation ("Agreement") is entered into this 6th day of November 2017, by and between the City of Mesa, Arizona, an Arizona municipal corporation ("City"), and Precision Electric Co., an Arizona corporation ("Contractor"). The City and Contractor are each a "Party" to the Agreement or together are "Parties" to the Agreement.

RECITALS

- A. The City issued solicitation number **2017236** ("Solicitation") for **ELECTRIC MOTORS – PURCHASE AND REPAIR / REWINDS**, to which Contractor provided a response ("Response"); and
- B. The City Selected Contractor's Response as being in the best interest of the City and wishes to engage Contractor in providing the services/materials described in the Solicitation and Response.

In consideration of the reciprocal promises contained in the Agreement, and for other valuable and good consideration, which the Parties acknowledge the receipt and sufficiency of, the Parties agree to the following Terms & Conditions.

TERMS & CONDITIONS

1. **Term.** This Agreement is for a term beginning on **November 7, 2017** and ending on **November 6, 2020**. The use of the word "Term" in the Agreement includes the aforementioned period as well as any applicable extensions or renewals in accordance with this Section 1.
 - 1.1 **Renewals.** On the mutual written agreement of the Parties, the Term may be renewed up to a maximum of two (2) one (1) year periods. Any renewal(s) will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
 - 1.2 **Extension for Procurement Processes.** Upon the expiration of the Term of this Agreement, including any renewals permitted herein, at the City's sole discretion this Agreement may be extended on a month-to-month basis for a maximum of six (6) months to allow for the City's procurement processes in the selection of a Contractor to provide the services/materials provided under this Agreement. The City will notify the Contractor in writing of its intent to extend the Agreement at least thirty (30) calendar days prior to the expiration of the Term. Any extension under this Subsection 1.2 will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
2. **Scope of Work.** The Contractor will provide the necessary staff, services and associated resources to provide the City with the services, materials, and obligations attached to this Agreement as **Exhibit A** ("Scope of Work") Contractor will be responsible for all costs and expenses incurred by Contractor that are incident to the performance of the Scope of Work unless otherwise stated in **Exhibit A**. Contractor will supply all equipment and instrumentalities necessary to perform the Scope of Work. If set forth in **Exhibit A**, the City will provide Contractor's personnel with adequate workspace and such other related facilities as may be required by Contractor to carry out the Scope of Work.
3. **Orders.** Orders be placed with the Contractor by either a: (i) Purchase Order when for a one-time purchase; (ii) Notice to Proceed, or (iii) Delivery Order off of a Master Agreement for Requirement Contract where multiple as-needed orders will be placed with the Contractor. The City may use the Internet to communicate with Contractor and to place orders as permitted under this Agreement

4. **Document Order of Precedence.** In the event of any inconsistency between the terms of the body of the Agreement, the Exhibits, the Solicitation, and Response, the language of the documents will control in the following order.
- a. Agreement
 - b. Exhibits
 - 1. Mesa Standard Terms & Conditions
 - 2. Scope of Work/Technical Specifications
 - 3. Other Exhibits not listed above
 - c. Solicitation including any addenda
 - d. Contractor Response

5. **Payment.**

5.1 **General.** Subject to the provisions of the Agreement, the City will pay Contractor a total amount, including all companion Agreements, a not to exceed sum(s) of **Two Hundred Thousand Dollars (\$200,000) annually** for the completion of all the work and services described herein, which sum shall include all costs or expenses incurred by Contractor, payable as set forth in **Exhibit B** ("Pricing") attached hereto and made a part hereof by reference.

5.2 **Prices.** All pricing shall be firm for the Term and all extensions or renewals of the Term except where otherwise provided in this Agreement, and include all costs of the Contractor providing the materials/service including transportation, insurance and warranty costs. No fuel surcharges will be accepted unless allowed in this Agreement. The City shall not be invoiced at prices higher than those stated in the Agreement.

The Contractor further agrees that any reductions in the price of the materials or services covered by this Agreement will apply to the undelivered balance. The Contractor shall promptly notify the City of such price reductions.

No price modifications will be accepted without proper request by the Contractor and response by the City's Purchasing Division.

5.3 **Price Adjustment.** Any requests for reasonable price adjustments must be submitted in accordance with this Section 5.3. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. There is no guarantee the City will accept a price adjustment therefore Contractor should be prepared for the Pricing to be firm over the Term of the Agreement. The City is only willing to entertain price adjustments based on an increase to Contractor's actual expenses or other reasonable adjustment in providing the services/materials under the Agreement. If the City agrees to the adjusted price terms, the City shall issue written approval of the change.

During the sixty (60) day period prior to Contract expiration date of the Agreement, the Contractor may submit a written request to the City to allow an increase to the prices in an amount not to exceed the twelve (12) month change in the **Consumer Price Index for All Urban Consumers** (CPI-U), US City Average, All Items, Not Seasonally Adjusted as published by the U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>). The City shall review the request for adjustment and respond in writing; such response and approval shall not be unreasonably withheld.

5.4 **Renewal and Extension Pricing.** Any extension of the Agreement will be at the same pricing as the initial Term. If the Agreement is renewed in accordance with Section 1, pricing may be adjusted for amounts other than inflation that represent actual costs to the Contractor based on the mutual agreement of the parties. The Contractor may submit a request for a price adjustment along with appropriate supporting documentation

demonstrating the cost to the Contractor. Renewal prices shall be firm for the term of the renewal period and may be adjusted thereafter as outlined in the previous section. There is no guarantee the City will accept a price adjustment.

5.5 **Invoices.** Payment will be made to Contractor following the City's receipt of a properly completed invoice. Any issues regarding billing or invoicing must be directed to the City Department/Division requesting the service or material from the Contractor. A properly completed invoice should contain, at a minimum, all of the following:

- a. Contractor name, address, and contact information;
- b. City billing information;
- c. City contract number as listed on the first page of the Agreement;
- d. Invoice number and date;
- e. Payment terms;
- f. Date of service or delivery;
- g. Description of materials or services provided;
- h. If materials provided, the quantity delivered and pricing of each unit;
- i. Applicable Taxes
- j. Total amount due.

5.6 **Payment of Funds.** Contractor acknowledges the City may, at its option and where available use a Procurement Card/e-Payables to make payment for orders under the Agreement. Otherwise; payment will be through a traditional method of a check or Electronic Funds Transfer (EFT) as available.

5.7 **Disallowed Costs, Overpayment.** If at any time the City determines that a cost for which payment was made to Contractor is a disallowed cost, such as an overpayment or a charge for materials/service not in accordance with the Agreement, the City will notify Contractor in writing of the disallowance; such notice will state the means of correction which may be, but is not limited to, adjustment of any future claim/invoice submitted by Contractor in the amount of the disallowance, or to require repayment of the disallowed amount by Contractor. Contractor will be provided with the opportunity to respond to the notice.

6. **Insurance.**

6.1 Contractor must obtain and maintain at its expense throughout the term of Contractor's agreement, at a minimum, the types and amounts of insurance set forth in this Section 6 from insurance companies authorized to do business in the State of Arizona; the insurance must cover the materials/service to be provided by Contractor under the Agreement. For any insurance required under the Agreement, Contractor will name the City of Mesa, its agents, representatives, officials, volunteers, officers, elected officials, and employees as additional insured, as evidenced by providing either an additional insured endorsement or proper insurance policy excerpts.

6.2 Nothing in this Section 6 limits Contractor's responsibility to the City. The insurance requirements herein are minimum requirements for the Agreement and in no way limit any indemnity promise(s) contained in the Agreement.

6.3 The City does not warrant the minimum limits contained herein are sufficient to protect Contractor and subcontractor(s) from liabilities that might arise out of performance under the Agreement by Contractor, its agents, representatives, employees, or subcontractor(s). Contractor is encouraged to purchase additional insurance as Contractor determines may be necessary.

6.4 Each insurance policy required under the Agreement must be in effect at or prior to the execution of the Agreement and remain in effect for the term of the Agreement.

- 6.5 Prior to the execution of the Agreement, Contractor will provide the City with a Certificate of Insurance (using an appropriate "ACORD" or equivalent certificate) signed by the issuer with applicable endorsements. The City reserves the right to request additional copies of any or all of the policies, endorsements, or notices relating thereto required under the Agreement.
- 6.6 When the City requires a Certificate of Insurance to be furnished, Contractor's insurance is primary of all other sources available. When the City is a certificate holder and/or an additional insured, Contractor agrees no policy will expire, be canceled, or be materially changed to affect the coverage available without advance written notice to the City.
- 6.7 The policies required by the Agreement must contain a waiver of transfer rights of recovery (waiver of subrogation) against the City, its agents, representatives, officials, volunteers, officers, elected officials, and employees for any claims arising out of the work of Contractor.
- 6.8 All insurance certificates and applicable endorsements are subject to review and approval by the City's Risk Management Division.
- 6.9 **Types and Amounts of Insurance**. Contractor must obtain and retain throughout the term of the Agreement, at a minimum, the following:
 - 6.9.1 Worker's compensation insurance in accordance with the provisions of Arizona law. If Contractor operates with no employees, Contractor must provide the City with written proof Contractor has no employees. If employees are hired during the course of this Agreement, Contractor must procure worker's compensations in accordance with Arizona law.
 - 6.9.2 The Contractor shall maintain at all times during the term of this contract, a minimum amount of \$3 million per occurrence/\$5 million aggregate Commercial General Liability insurance, including Contractual Liability. For General Liability insurance, the City of Mesa, their agents, officials, volunteers, officers, elected officials or employees shall be named as additional insured, as evidenced by providing an additional insured endorsement.
 - 6.9.3 Automobile liability, bodily injury and property damage with a limit of \$1 million per occurrence including owned, hired and non-owned autos.
7. **Requirements Contract**. Contractor acknowledges and agrees the Agreement is a requirements contract; the Agreement does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when the City identifies a need and issues a purchase order or a written notice to proceed. The City reserves the right to cancel purchase orders or a notice to proceed within a reasonable period of time of issuance; any such cancellation will be in writing. Should a purchase order or notice to proceed be canceled, the City agrees to reimburse Contractor for any actual and documented costs incurred by Contractor. The City will not reimburse Contractor for any avoidable costs incurred after receipt of cancellation including, but not limited to, lost profits, shipment of product, or performance of services.
8. **Notices**. All notices to be given pursuant to the Agreement will be delivered to the Contractor as listed on Page 1 of this Agreement. Notice will be delivered pursuant to the requirements set forth the Mesa Standard Terms and Conditions that is attached to the Agreement as **Exhibit C**.

9. **Representations of Contractor.** To the best of Contractor's knowledge, Contractor agrees that:
- a. Contractor has no obligations, legal or otherwise, inconsistent with the terms of the Agreement or with Contractor's undertaking of the relationship with the City;
 - b. Performance of the services called for by the Agreement do not and will not violate any applicable law, rule, regulation, or any proprietary or other right of any third party;
 - c. Contractor will not use in the performance of Contractor's responsibilities under the Agreement any proprietary information or trade secret of a former employer of its employees (other than City, if applicable); and
 - d. Contractor has not entered into and will not enter into any agreement, whether oral or written, in conflict with the Agreement.
10. **Mesa Standard Terms and Conditions.** Exhibit C to the Agreement is the Mesa Standard Terms and Conditions as modified by the Parties, which are incorporated by reference into the Agreement as though fully set forth herein. In the event of any inconsistency between the terms of the Agreement and the Mesa Standard Terms and Conditions, the language of the Agreement will control. The Parties or a Party are referred to as a "party" or "parties" in the Mesa Standard Terms and Conditions. The Term is referred to as the "term" in the Mesa Standard Terms and Conditions.
11. **Counterparts and Facsimile or Electronic Signatures.** This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original and all of which, taken together, will constitute one agreement. A facsimile or other electronically delivered signature to the Agreement will be deemed an original and binding upon the Party against whom enforcement is sought.
12. **Incorporation of Recitals and Exhibits.** All Recitals and Exhibits to the Agreement are hereby incorporated by reference into the Agreement as if written out and included herein. In the event of any inconsistency between the terms of the body of the Agreement and the Exhibits, the language of the Agreement will control.
- Exhibits to this Agreement are the following:
- o (A) Scope of Work/Technical Specifications
 - o (B) Pricing
 - o (C) Mesa Standard Terms and Conditions
13. **Attorneys' Fees.** The prevailing Party in any litigation arising out of the Agreement will be entitled to the recovery of its reasonable attorney's fees, court costs, and other litigation related costs and fees from the other Party.
14. **Additional Acts.** The Parties agree to execute promptly such other documents and to perform such other acts as may be reasonably necessary to carry out the purpose and intent of the Agreement.
15. **Headings.** The headings of the Agreement are for reference only and will not limit or define the meaning of any provision of the Agreement.

By executing below, each Party acknowledges that it understands, approves, and accepts all of the terms of the Agreement and the attached exhibits.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF MESA, ARIZONA

PRECISION ELECTRIC CO.

By: _____

By: _____

Printed Name

Printed Name

Title

Title

Date

Date

REVIEWED BY:

By: _____
Kristy Garcia, CPPB, Procurement Officer

EXHIBIT A
SCOPE OF WORK / TECHNICAL SPECIFICATIONS

1. **BACKGROUND:** The City's Water Resources Department currently has approximately three (3) Water Reclamation Plants, One (1) Water Treatment Plant, Sixteen (16) Lift Stations, Five (5) Transfer Stations, Sixteen (16) Pump Stations and Forty-Six (46) Well Sites.
2. **SCOPE OF WORK:** Qualified Contractor(s) shall perform motor repairs/rewinds and to furnish and install various sizes of new motors needed throughout its facilities. Other Departments within the City may also want to utilize the resulting contract.
 - A. Minimum Qualifications.
 - 1) Contractors and any sub-contractors shall have a minimum of five (5) years of qualified repair experience on the listed equipment. Sub-contractors must be licensed and bonded.
 - B. Contractors Personnel and Equipment.
 - 1) The Contractors shall have a service facility fully equipped to repair and fabricate parts as required for the size and type of equipment bid. The City reserves the right to make at least one (1) annual on-site inspection of such contractor facilities (within twenty-four (24) hour minimum notice) at its discretion.
 - 2) The Contractors and/or subcontractors service facilities must be equipped with personnel and equipment necessary to perform electromechanical repairs/rewinding to electric motors per the established guidelines in EASA AR100—2006, Recommended Practice for the Repair of Rotating Electrical Apparatus.
 - a) Provide a certificate or other proof of membership in good standing in the Electrical Apparatus Service Association (EASA).
 - b) Provide personnel trained and properly equipped for confined space entry. (A letter on Contractor's letterhead with the list of names and the certification dates of the confined space entry training will be sufficient.)
 - 3) Contractor's crew must be capable of communicating with the Contractor's main office without leaving the job site, i.e. 2-way radio, cell phone, etc.
 - 4) Contractor must have access to various sizes of cranes capable of lifting motors up to 500 HP and capable of long reach applications.
 - 5) Contractor must be able to travel and provide these services within a fifty (50) mile radius of Downtown Mesa (intersection of Center and Main).
 - 6) Contractor shall have available the following facility/field equipment of sufficient size to perform the services required:
 - a) Cleaning capability: power wash, steam cleaning, sandblasting
 - b) Welding equipment:
 - i. TIG: Tungsten inert gas
 - ii. WIG: Wolfram inert gas
 - iii. MIG: Metal inert gas
 - c) Metalizing torch
 - d) Dip tank of sufficient capacity
 - e) VPI System: Vacuum & Pressure Impregnation
 - f) Hydraulic bearing pullers
 - g) Dynamic balancing equipment and Vibration Analysis
 - h) Meg-ohm and Surge comparison testing specific to the motors being tested.
 - i) Lathes, milling machine, drill press of sufficient size

- j) Stator core loss tester of sufficient capacity
 - k) Temperature-regulated Bake/Burn-off oven of sufficient size
 - l) Class H insulating materials including epoxy or polyester resin of sufficient quantity to treat new windings
 - m) Sufficient inventory of inverter-duty treated magnet wire
 - n) Hypotential tester of sufficient capacity
 - o) 460-volt test power supply to no load test run motors up 500 HP @ 460 VAC
 - p) 4160-volt test power supply to no load test run motors up 700 HP @ 4160 VAC
- C. Supervision by the Contractor
- 1) The Contractor shall supervise and direct all site maintenance work. The Contractor shall be solely responsible for the means, methods techniques, sequences and procedures of maintenance as well as compliance with all applicable safety practices, codes, and regulations.
 - 2) The Contractor shall employ during the full term of the contract a qualified supervisor or superintendent which shall have been designated in writing by the Contractor as their authorized representative at the site. The supervisor shall have full authority to act on behalf of the Contractor and all communications given to the supervisor shall be as binding as if given to the Contractor. The supervisor shall be present on the site at all times as required to perform adequate supervision and coordination if the work.
- D. Contractor's Performance
- 1) All materials and workmanship provided to the City shall be of the highest industry standard. Materials purchased by the City through this contract shall be new and subject to inspection and approval by a City representative prior to delivery.
 - 2) Contractor shall obtain all permits and licenses and pay all taxes, charges and fees necessary to perform the services.
 - 3) Contractor shall guarantee all work under this contract against defects of materials and/or workmanship for a period of one (1) year from the completion date. Chemical agents used shall be warranted for the labeled time period and shall not exceed the shelf time, if applicable.
 - 4) Contractor shall furnish all necessary supplies, labor, vehicles and equipment to perform services. All supplies, labor, vehicles and equipment shall be compliant with the specifications, terms and provisions set forth herein and shall be subject to random, unannounced inspection by an individual designated by the City.
 - 5) City shall not provide office or storage space for the Contractor's supplies, vehicles or equipment.
- E. Overhaul and Repair
- 1) All motor repairs and complete overhauls for the City will require new bearings regardless of existing bearing conditions.
 - 2) The minimum class of insulation shall be class "H" as specified by NEMA.
 - 3) Stator rewind shall include clean, dip and bake.
 - 4) Vacuum Pressure Impregnation (VPI) shall be included on motors 50 HP and above and all Medium Voltage Motors.
 - 5) All repaired or completely overhauled motors shall be cleaned and freshly painted with a severe corrosion resistant coating equivalent to Corroduty or as recommended by the manufacturer of the motor. Motor shall have a "like new" exterior appearance. Coatings shall be applied in the same color as was on motor when it came in as motor color is matched to pump color.

- 6) All repaired or completely overhauled motors shall have a separate metal tag screwed or riveted next to the manufacturer's I.D. metal plate with the Contractor's name, address, phone number and date of motor repair.
 - 7) Various departments will deliver (or the Contractor will pick-up at the City's discretion) intact motors to the repair facility and the Contractor will disassemble them.
 - 8) Upon completion and before delivery is taken on a motor overhaul or rewind, the motor or stator will be certified as surge comparison tested for winding condition and interrelationship.
- F. Estimates for Repairs
- 1) Prior to the Contractor performing any repair work, the Contractor will be required to provide the City a written report including condition of equipment, recommended repairs and cost of repairs. Where necessary, and with prior written approval, the Contractor will be allowed to remove and disassemble the equipment prior to providing the City written estimates.
 - 2) Estimates must be provided within twenty-four (24) hours of the Contractor receiving the motor.
 - 3) Downtime is a critical factor for the City's pumps; therefore, the motor repair, overhaul and/or rewind time is a critical factor. Maximum motor repair time shall not exceed seven (7) working days for the City; this includes the time taken to provide an estimate.
 - 4) In some cases, the City will require expedited service and motor repair time shall not exceed four (4) working days when requested, including the time taken to provide an estimate.
 - 5) If the motor repair cost exceeds 60% of the cost of a new motor, the City reserves the right to replace the motor rather than repair it. The City reserves the right to make a determination at any time during the repair process to replace the motor with a new one, depending upon the situation.
 - 6) No additional costs other than for the tear down and the estimate will be charged to the City if the motor is not repaired. All non-repaired motors and parts will be returned to the City (upon request).
- G. Pick-up and Delivery
- 1) Contractor shall be responsible for pick-up and delivery of all motors when and where requested by the City. The Contractor shall perform all pick-up or delivery within twenty-four (24) hours of notification by the City.
 - 2) Pick-up and delivery shall be F.O.B. Destination, Freight Prepaid to and from various City locations.
 - 3) Contractor shall offer over-the-counter service for those City locations that do not request pick-up or delivery of the motors.
 - 4) The Contractor may be requested to pick-up a disassembled motor. Alternatively, disassembled motors may also be delivered to the Vendor.
- H. Lock Out / Tag Out
- 1) Contractor shall describe their Lock-Out/Tag-Out Program including the amount and frequency of training for all employees.
 - 2) The Contractor is responsible for the lock out/tag out of all electrical equipment affected by the work. The Contractor's personnel will be responsible for notifying City site staff, and disconnecting/reconnecting equipment as required during the course of the site work.
 - 3) Contractor shall strictly enforce OSHA lock out/tag out procedures. Initial infractions shall result in a warning; additional infractions may result in contract cancellation.

- I. Disinfection
 - 1) The Contractor shall be responsible for cleaning and disinfection of City potable water equipment prior to and during installation in conformance with the minimum requirements of the Maricopa County Department of Environmental Services for potable water facilities. The Contractor shall protect all potable water piping from any and all potential sources of contamination.
 - J. Cleanup
 - 1) The Contractor shall clean, repaint / recoat and restore all pipe work and equipment disturbed or damaged as a result of their work to match the existing paint and/or coatings. Any damage caused by the Contractor to site appurtenances, structures, and perimeter fencing shall be restored to pre-construction conditions. Site landscaping, including decomposed granite or aggregate surfacing, shall be restored to pre-construction condition.
 - 2) After all work under the Contract has been completed, the Contractor shall remove all debris, spoils, unused materials, temporary structures, and construction equipment from the site.
 - K. Protection of Excavations or Partially Finished Work
 - 1) The Contractor shall properly identify, isolate, and protect all excavations or partially finished work, and shall be responsible for the same until the entire contract is completed.
 - L. Dumping and Disposal of Waste
 - 1) The Contractor shall provide for and facilitate the safe disposal of all contaminated waste products, hazardous materials, construction debris, etc., at an off-site location authorized and designed for such materials, any disposal/dumping of waste products or unused materials shall conform to applicable federal, state and local regulations. Copies of regulated materials disposal documentation shall be provided to the City.
3. **RESPONSE TIMES**
- A. Emergency response time for City equipment, motors, and other equipment at wells, sewage lift stations, treatment plants, and booster stations shall be within twelve (12) hours after notification.
 - B. Emergency motor repairs must be completed within twenty-four (24) hours of notification to proceed.
 - C. Normal non-emergency response time and warranty response time for City repairs shall be within seventy-two (72) hours after notification.
4. **REPLACEMENT PARTS AND EQUIPMENT**
- A. The City may choose to purchase replacement and new motors from the Contractor. The price to be paid to the Contractor by the City will be billed at vendor cost + a percentage of cost. Awarded vendor shall furnish their invoice from manufacturer as proof of cost.
 - B. The City reserves the right to purchase motors directly from the manufacturer or from other vendors if it is in the City's best interest to do so.
 - C. If Contract is awarded to more than one Contractor, motors and installation may be competitively quoted among the awarded vendors to achieve deeper discounts.
 - D. The Contractor may be required to provide written pricing for repair parts on specific jobs prior to the City authorizing purchase of the parts.
 - E. The City reserves the right to supply spares from its current inventory.
5. **VIBRATION ANALYSIS.** Repairs performed under this contract shall be subject to analysis by vibration monitoring equipment and must comply with the original manufacturers minimum specifications. The City may also require Onsite Balancing, Meggar Testing, and Alignment Services.

6. **WARRANTY.**

- A. Contractor shall warrant that all equipment and parts furnished as new under this contract are newly manufactured and free from defects in material and workmanship for no less than one (1) year from the date the equipment is delivered.
- B. Contractor shall warrant that all rebuilt or repaired equipment and parts furnished under this contract meet manufacturer's specifications and are free from defects in material and workmanship for no less than one (1) year from the date the equipment is delivered.
- C. Warranty shall include accepted trade standards of quality, fitness for the intended uses, and conformance to promises or specified specifications. No other express or implied warranty shall eliminate the Vendor's liability as stated herein.
- D. Contractor shall warrant that all labor involved in the rewind and repair of electric motors and associated equipment for no less than one (1) year from the date the equipment is delivered. This includes, but is not limited to, general, welding and machine work labor.

7. **ADDITIONAL / DELETED LOCATIONS AND EQUIPMENT.** The City reserves the right to add new or delete inactive sites and equipment like those referenced in this Agreement.

8. **PURCHASES AND ORDER RELEASES.**

- A. Offer will be accepted and executed by the City by issue of Service Contract that will document the term of the agreement.
- B. Order(s) for services pursuant to the executed agreement will be made by City by issue of Delivery Order(s). The Delivery Order(s) will be furnished to Contractor via facsimile, e-mail, mail, or telephone. If the Delivery Order is given verbally, the City Department that issued the Delivery Order will transmit a confirming Delivery Order document to the Contractor within five (5) workdays of the date the verbal Delivery Order is given. Contractor is prohibited from supplying materials or services pursuant to the resulting agreement that are not documented or authorized by a Delivery Order at the time of provision. The Contractor agrees that the City accepts no responsibility regarding this agreement for control or payment for materials or services not documented by a City Delivery Order.
- C. The Contractor agrees to establish, monitor, and manage an effective agreement administration process that assures compliance with all requirements of the agreement. The respondent agrees that they shall not provide goods or services in excess of the executed agreement items, item quantity, item amount, or agreement amount without prior written authorization by agreement revision properly executed and issued by the City. Any items provided in excess of that stated in the agreement shall be at the Respondent's own risk. Respondents shall decline verbal requests to deliver items in excess of the agreement.

9. **ACCEPTANCE OF SERVICES.** Acceptance of the services shall be made by the City Department designated on the issued Delivery Order in accordance with this agreement. Acceptance is required prior to commencement of payment terms.

10. **COMPENSATION AND PAYMENT**

- A. Contractor shall submit Request(s) for Payment/Invoices to the location and entity defined by the City's Delivery Order. All Invoice documents shall reference the City's Delivery Order number under which the services were ordered and shall include a written description of the services performed. The number of hours of labor and, if necessary, machine work required to repair the item must also be shown on the invoice along with the flat rate per hour for each repaired motor.
- B. ALL Invoice line items shall identify items by part number, description, quantity, unit of measure and price for each item provided. Contractor shall provide evidence of purchased price for all repair parts to be marked up. Contractor shall provide a firm quote for all purchased repair parts and receive a written confirmation from the City before ordering. Parts to be fabricated by

contractor shall be quoted before use in repairs for City of Mesa. No markups will be paid on delivery charges for parts shipped to Contractor or for unauthorized outside labor

- C. Standard payment terms are net thirty (30) days from the date of valid invoice document and shall not commence until Contractor's Invoice is received and verified by City Financial Operations. The Water Resources Department has an email set up for Invoice Submission. This speeds up the payment process. Contractors are requested to use WaterAcctsPayable@MesaAZ.GOV to submit invoices.
 - D. Unless otherwise stipulated by this agreement or the City's order, all pricing shall be F.O.B. Destination & Full Freight Allowed ("F.O.B. Destination"), delivered to and unloaded at the destination(s) defined by the Delivery article of this agreement or accepted Order for services or products and all freight cost shall be included in the offered Unit Price. Although State and City sales tax are paid when applicable and invoiced, taxes should not be included in the unit price.
 - E. Price Warranty - Seller shall give the City benefit of any price reduction before actual time of shipment. Sellers agree that all pricing given includes all costs required to conduct aggressive and active cost control and reduction activities.
 - F. No guarantee is made regarding actual orders issued for items or quantities during the term of the agreement. The City shall not be responsible for Contractor inventory or order commitment.
 - G. Unit Prices offered shall include all incidentals and associated costs required to comply with and satisfy all requirements referred to or included in this solicitation which includes the Instructions to Bidders, Standard Terms and Conditions and Offer Agreement. No payments will be made for items not included in the agreement.
11. **MULTIPLE AWARDS.** To assure that any ensuing contracts will allow the City to fulfill current and future requirements, the City reserves the right to award contracts to multiple companies. The actual utilization of any contract will be at the sole discretion of the City. The fact that the City may make multiple awards should be taken into consideration by each potential contractor.
12. **TECHNICAL SPECIFICATIONS.**

SECTION 22 05 13

Induction Motors

PART 1 GENERAL

1.1 SUMMARY

- A. Section Includes:
 - 1. Guidelines for design and manufacture of low and medium voltage vertical squirrel cage induction motors.
 - 2. Work governed by these specifications includes manufacture, testing and delivery of equipment constructed in accordance with the requirements presented herein.
 - 3. Items not addressed by these specifications include, but are not limited to:
 - a. Unloading and installation.
 - b. All external connections.
- B. Related Sections:
 - 1. Section 00 00 00 – Specification Title.

1.2 REFERENCES

- A. All equipment shall be fabricated, assembled and tested in accordance with the most current applicable standards as defined by the following institutions:
1. Anti-Friction Bearing Manufacturers' Association (AFBMA)
 2. American National Standards Institute (ANSI)
 3. Institute of Electrical and Electronic Engineers (IEEE)
 4. National Electrical Code (NEC)
 5. National Electrical Manufacturers' Association (NEMA)
 6. Underwriters' Laboratories (UL)

1.3 SUBMITALLS

- A. Product Data: Include the following:
1. Preliminary Dimension Print and Frame Size.
 2. Approximate Motor Weight.
 3. Complete Motor Nameplate Information.
 4. Motor Manufactures Complete Pre-submittal or Information Package
 5. Motor Performance Data, including the following:
 - a. Guaranteed minimum efficiencies at 100%, 75% and 50% of full load.
 - b. Guaranteed minimum power factor at 100%, 75% and 50% of full load.
 - c. Locked Rotor Current.
 - d. Full Load Current.
 - e. Starting Torque.
 - f. Full Load Torque.
 - g. Breakdown Torque.
 6. Complete Description of Testing Facilities.
 7. Jobsite Storage Requirements.
- B. Required within six (6) weeks of receipt of Order
1. Certified Dimension Prints
 2. Recommended Spare Parts List with Pricing
- C. Required with motor upon shipment
1. Operation and Maintenance Manuals
 2. Connection Diagrams
 3. Test Reports as Specified
- D. Manufacturer's Installation Instructions: Include mounting details.

1.4 QUALIFICATIONS

- A. Manufacturer: Company specializing in manufacturing products specified in this section with minimum three years documented experience.

1.5 COORDINATION

- A. Provide coordination for the manufacturers recommended rating for power factor correction capacitors when required.

1.6 WARRANTY

- A. Furnish minimum one-year manufacturer's warranty for supplied equipment.

PART 2 PRODUCTS

2.1 VERTICAL SQUIRREL CAGE INDUCTION MOTOR

A. Manufacturers:

1. U.S. Motors TITAN line
2. Toshiba
3. G E

B. General:

1. Motors shall be capable of withstanding all normal forces, which may be imposed upon them during the course of normal operation, including starting and normal stops.
2. Motors shall be suitable for across-the-line starting and shall be able to start and accelerate the connected load to full load speed with 90% of rated voltage at the motor terminals.
3. When powered from a variable frequency drive (VFD):
 - a. Motors shall be inverter duty and specifically selected for service with a VFD type speed controller.
 - b. Shall be derated as required to compensate for harmonic heating effects and reduced self-cooling capability at low speed operation.
 - c. Each motor shall not exceed a Class B temperature rise when operating in the installed condition at load with power received from the VFD.
 - d. All motors driven by VFDs shall be supplied with full phase insulation on the end turns and shall meet the requirements of NEMA MG 1, Part 31. In addition to the requirements of NEMA MG 1, Part 31, motors shall be designed to be continually pulsed at the motor terminals with a voltage of 1600 volts AC.
 - e. Bearing protection rings shall be provided for VFD driven motors >100 horsepower to reduce the effects of electrical discharge machining (EDM). The bearing protection ring shall be a maintenance free, conductive micro fiber, shaft grounding ring installed on the drive end of the motor shaft.
 - f. VFD driven motors >100 horsepower shall have one insulated bearing installed on the non-drive end with a bearing protection ring installed on the opposite drive.
4. Motors shall be capable of continuous operation at full load and rated frequency with a voltage variation of +10%.
5. Motors shall be capable of continuous operation at full load and rated voltage with a frequency variation of +5%.
6. Motor starting current shall not exceed a value equal to 650% of the motor full load current.
7. Motor installation in hostile environments subject to corrosive atmospheric conditions shall meet the IEEE 841 standards.

8. When specified motors shall be equipped with non-reverse ratchets.

C. Enclosure:

1. Motors shall be furnished with one of the following enclosure types based on the location of installation and the specific requirements for each motor.
 - a. Weather Protected, Type I (WP-I)
 - b. Weather Protected, Type II (WP-II)
 - c. Totally Enclosed, Fan Cooled (TEFC)
 - d. Totally Enclosed, Class I, Group D, Division 1 Explosion-proof (XP)
 - e. Openings on all Weather Protected designs shall be covered with metal guard screens having a mesh size no larger than ½ inch square.
 - 1) Weather Protected Type I motors shall be designed to protect internal components from falling water and debris at angles up to 100 degrees from vertical.
 - 2) When specified, Weather Protected Type II designs shall be furnished with removable, cleanable and reusable air filters over intake air openings.
2. Enclosures shall be of fabricated steel or cast iron construction in accordance with the manufacturer's standard design. Canopy caps shall be of aluminum, cast iron or sheet metal and shall be easily removable for maintenance purposes.
3. Motors to be installed in locations where moisture may collect shall be furnished with drain openings and plugs. In the case of Explosion-proof motors, drains and breathers shall be furnished and shall be of the type approved by U.L.

D. Stator Construction:

1. Stator laminations shall be of fully processed steel. Each lamination surface shall be given the necessary treatment so as to have core plate type C-5 insulation.
2. Stator windings for system voltages above 600 volts shall be form wound of rectangular copper magnet wire. Aluminum magnet wire is not acceptable. Individual coils shall be insulated with mica bearing tape prior to insertion. Coil extensions shall be blocked and braced sufficiently to minimize movement during normal starting and running conditions at full rated voltage.

E. Insulation:

1. Insulation system shall be Class B or better.
2. Insulation systems shall receive a minimum of two vacuum pressure impregnation treatments using a 100% solids epoxy resin.
3. When specified, a completely sealed insulation system shall be supplied. This system shall be capable of passing the NEMA MG1-20.48 water immersion test.
4. When specified, motors to be rated for variable frequency drive applications shall meet NEMA MG-1 Part 31 dated 1993. The insulation system shall be warranted for a minimum of 3 years' operation on VFD power which shall not be limited by maximum cable length restrictions.
5. Temperature rise shall not exceed the limits defined by NEMA for Class B insulation systems while operating at nameplate horsepower, frequency and voltage.
6. In the case of a particular rating where a Class F temperature rise is required, motors shall be furnished with Class F or better insulation.

F. Rotor Construction:

1. Rotors shall be of cast or fabricated aluminum in accordance with manufacturer's standard design.

G. Bearings:

1. Bearings supplied shall be of type and size sufficient to satisfy thrust loading requirements for each motor in accordance with manufacturer's standard design. Bearings shall be rated for an in-service B-10 life of 8,800 hours. Bearings shall be no less quality than an ABEC 3 classification and shall be top tier level such as SKF, FAG or Timken.

2. Thrust Bearings

- a. Motors shall be designed and constructed with thrust bearings on top to allow inspection and/or replacement without requiring complete disassembly of motor.
- b. Thrust bearings shall be deep-groove ball, angular contact ball or spherical roller type. Bearings mounted back-to-back or in tandem are acceptable and may be furnished when required according to manufacturer's standard design.
- c. High thrust design motors shall be supplied with angular contact ball bearings whenever possible and in accordance with manufacturer's standard design.
- d. Where thrust requirements restrict the use of angular contact bearings, spherical roller bearings shall be furnished.
 - 1) When required, motors furnished with spherical roller bearings shall also be provided with a system of coils in the oil reservoir for the circulation of cooling water.
 - 2) Spherical roller bearings shall be spring loaded to keep the lower bearing race in contact and prevent bearing damage during starting and momentary upthrust conditions.

3. Guide Bearings:

- a. Guide bearings shall be deep-groove ball type and shall be located at the bottom of the motor.
- b. Guide bearings may be stacked when necessary according to manufacturer's standard design to accommodate specified upthrust conditions.
- c. Guide bearings or bearing assemblies shall be provided with sufficient means for preventing the leakage of lubricant or entrance of foreign matter along the shaft.

H. Lubrication:

1. Thrust bearings shall be oil lubricated and contained in an oil reservoir with oil sight level gauge and oil fill and drain openings with plugs.
2. Deep-groove ball bearings furnished as thrust bearings for normal thrust motors shall be grease lubricated. When furnished as guide bearings for high thrust units, they shall be oil lubricated.
 - a. Grease lubricated bearings shall be furnished with provisions for in-service positive lubrication. A drain shall be provided to guard against over lubrication.

I. Noise Level:

1. Sound pressure levels shall be measured according to IEEE 85 and shall not exceed 85 decibels as measured on the A-Weighted Scale at a distance of five (5) feet from any motor surface under no load, free field conditions.

J. Nameplates:

1. Motor nameplates shall be of stainless steel and shall be securely fastened to the motor frame with pins of a like material.
2. The following information shall be contained on the motor nameplate as a minimum:
 - a. Rated Horsepower
 - b. Full Load Speed
 - c. Frequency
 - d. NEMA KVA Code and Design Letter (when applicable)
 - e. Rated Voltage
 - f. Manufacturers Serial Number
 - g. Service Factor
 - h. Insulation Class
 - i. Maximum Ambient
 - j. Full Load Current at Nameplate Voltage
 - k. Frame Size Designation

K. Terminal Boxes:

1. Terminal boxes shall be of fabricated steel or cast iron construction to be compatible with the motor enclosure specified and when possible, shall be diagonally split and capable of rotation in 90° increments. Boxes not suitable for rotation must be capable of top entry.
2. The area in which the main terminal box is connected with the motor frame shall be fully gasketed in order to prevent entrance of foreign matter into the motor and to provide support for the stator leads where they pass through the motor frame.
3. A properly sized grounding terminal shall be mounted in the main terminal box.
4. The main terminal box shall be sufficiently oversized to allow stress cone terminations of shielded power cables and to allow mounting of any surge capacitors, lightning arrestors or current transformers as may be specified.
5. Motors furnished in NEMA frame sizes 449 through 5808 shall be provided with standoff insulators with copper buss bar terminal connections in a NEMA Type II hinged conduit box.
6. Motors furnished in NEMA 320 frame sizes and larger shall have conduit boxes designed and constructed to permit motor removal after installation without disconnecting raceways.
7. Motors furnished in NEMA frame sizes 182 through 447 shall be provided with oversized terminal boxes.

L. Leads:

1. Main motor leads shall have EPDM or equal type jackets and shall be permanently tagged for identification.

2. The relationship between lead markings and the direction of rotation shall be indicated on a separate motor nameplate.
3. Leads for dual voltage rated or for multi-speed motors shall be easily connected or reconnected in the terminal housing for the operating voltage or for the specified speeds. Permanent instructions for making these connections shall be furnished inside the terminal housing or on the motor frame or nameplate.

M. Efficiency:

1. As required, motors shall be premium efficiency type and shall have a NEMA nominal efficiency nameplate value equal to or greater than values indicated in the following table. Efficiency shall be determined in accordance with IEEE 112, Test method B.
2. When premium efficiency is required, vertical motors shall be premium efficiency type and shall have efficiency values equal to or greater than those indicated in the following table minus 0.50.

Motor		Nominal Efficiency Values				Nominal Efficiency Values			
kW	hp	Open Drip Enclosure				TEFC Enclosure			
		3600 rpm	1800 rpm	1200 rpm	900 rpm	3600 rpm	1800 rpm	1200 rpm	900 rpm
0.7	1	84.0	85.5	82.5	75.0	77.0	85.5	82.5	75.5
1.1	1.5	84.0	86.5	86.5	78.0	84.0	86.5	87.5	80.0
1.5	2	85.5	86.5	87.5	86.5	85.5	86.5	88.5	85.5
2.2	3	85.5	89.5	88.5	89.5	87.0	89.5	89.5	86.5
3.7	5	86.5	89.5	89.5	89.5	88.5	89.5	89.5	85.0
5.6	7.5	88.5	91.0	90.2	88.5	90.0	91.7	91.0	86.5
7.5	10	89.5	91.7	91.7	91.0	91.0	91.7	91.0	91.0
11.2	15	90.2	93.0	91.7	91.0	91.0	92.4	92.0	91.0
14.9	20	91.7	93.0	92.4	92.0	92.0	93.0	92.0	91.0
18.7	25	92.4	93.6	93.0	92.0	92.0	93.6	93.0	91.0
22.4	30	93.0	94.1	93.6	93.0	92.4	93.6	93.0	93.0
29.8	40	93.0	94.1	94.1	93.0	92.4	94.1	94.1	93.0

Motor		Nominal Efficiency Values				Nominal Efficiency Values			
kW	hp	Open Drip Enclosure				TEFC Enclosure			
		3600 rpm	1800 rpm	1200 rpm	900 rpm	3600 rpm	1800 rpm	1200 rpm	900 rpm
37.3	50	93.0	94.5	94.1	93.0	93.0	94.5	94.1	93.0
44.8	60	93.6	95.0	94.5	94.0	93.6	95.0	94.5	93.0
56	75	94.0	95.0	95.0	94.0	93.6	95.4	95.0	94.0
74.6	100	94.5	95.4	95.0	95.0	94.1	95.4	95.0	94.0
93.2	125	95.0	95.4	95.0	95.0	95.0	95.4	95.0	94.0
112	150	95.0	95.8	95.4	95.0	95.0	95.8	95.8	94.0
149	200	95.4	95.8	95.4	95.0	95.4	96.2	95.8	94.1
186	250	95.0	95.8	95.4	95.0	95.4	95.8	95.8	94.5
224	300	95.0	95.8	95.4		95.4	95.8	95.0	
261	350	95.0	95.4	95.4		95.4	95.8	95.8	
298	400	95.4	95.4			95.8	95.8		
336	450	95.8	95.8			95.4	95.4		
373	500	95.8	95.8			95.8	95.8		

N. Accessories:

1. Space Heaters

- a. When specified, motors shall be furnished with space heaters to provide sufficient wattage to maintain the internal temperature of the motor at a level approximately 10°C above the ambient temperature while the motor is not in operation.
- b. Space heaters shall be of the silicone rubber strip type attached directly to the stator end turns. When specified, the leads shall be brought out to an auxiliary terminal box.
- c. Space heaters shall be rated for operation on a single phase, 60 hertz, 120 volt system.

2. Protective Devices

- a. Motors >100 horsepower; stator winding protection shall consist of the following:
 - 1) Six (6) 100 ohm platinum resistance-type temperature detectors (RTD's) embedded in the stator windings, two (2) per phase. Each detector shall have its leads wired to an auxiliary terminal box.
- b. Motors >100 horsepower; bearing protection shall consist of the following:
 - 1) Two (2) 100 ohm platinum resistance-type temperature detectors (RTD's), one (1) per bearing, mounted as closely as possible to the outer surface of each bearing. Each detector shall have its leads wired to a terminal block located in an auxiliary terminal box.
- c. When specified, surge protection shall be provided in form of surge capacitors and lightning arrestors mounted, one (1) per phase in the main terminal box.
- d. When specified, differential ground protection shall consist of three (3) window-type current transformers, mounted one (1) per phase in the main terminal box. Leads of each phase shall be passed through individual current transformers. Transformers shall be of a ratio specified by the Purchaser at time of order placement.

2.2 GENERAL PURPOSE MOTOR REQUIREMENTS

- A. Design and construction of each general-purpose motor shall be as specified herein. Motor voltage, frequency, speed, service factor, and insulation class shall be as follows:

1.	Motor voltage	460, 3 phase for motors larger than 5 hp, 208V, 3 phase for motors ½ horsepower to 5 hp, and 120, single phase for smaller than ½ horsepower
2.	Frequency	60 Hz
3.	Speed	Constant speed
4.	Service factor	1.15, except for VFD driven motors which shall be 1.0
5.	Insulation class and temperature rise above 40 ^o C design ambient (by resistance method)	Class H with 105 ^o C rise at 1.0 SF
6.	Enclosure	Totally enclosed fan cooled
7.	Main conduit box sized to include	

- B. When powered from a variable frequency drive (VFD), motors shall be inverter duty and specifically selected for service with a variable frequency type speed controller and shall be derated as required to compensate for harmonic heating effects and reduced self-cooling capability at low speed operation.
- C. Each motor shall not exceed a Class B temperature rise when operating in the installed condition at load with power received from the variable frequency drive. All motors driven by VFDs shall be supplied with full phase insulation on the end turns and shall meet the requirements of NEMA MG 1, Part 31. In addition to the requirements of NEMA MG 1, Part 31, motors shall be designed to be continually pulsed at the motor terminals with a voltage of 1600 volts ac.
- D. Bearing protection rings shall be provided for VFD driven motors >100 horsepower to reduce the effects of electrical discharge machining (EDM). The bearing protection ring shall be a maintenance free, conductive micro fiber, shaft grounding ring installed on the drive end of the motor shaft.
- E. VFD driven motors >100 horsepower shall have one insulated bearing installed on the non-drive end with a bearing protection ring installed on the opposite drive.
- F. Nameplate Horsepower. Motor nameplate horsepower shall be equal to or Greater than the maximum load imposed by the driven equipment.
- G. Enclosures. All motors shall be self-ventilated. All self-ventilated open type motors, including those with dripproof, splashproof, and weather protected enclosures, and the fan covers of totally enclosed fan cooled motors shall meet NEMA MG 1 requirements for a fully guarded machine.
- H. Totally Enclosed Motors. Totally enclosed motors shall be furnished with drain holes and rotating shaft seals. Frames, bearing brackets, external terminal housings, and fan covers for fan cooled motors shall be cast iron. External cooling fans for fan cooled

motors shall be fabricated of brass, bronze, aluminum alloy containing not more than 0.2 percent copper, malleable iron, or plastic. All plastic fans shall be fabricated of a reinforced thermosetting plastic and shall be UL approved.

- I. Outdoor Motors. Outdoor motors shall have NEMA weather protected enclosures. All exposed metal surfaces shall be protected, where practical, with a corrosion resistant polyester coating. Exposed uncoated surfaces shall be of a corrosion resistant metal. Enclosure exterior and interior surfaces, air gap surfaces, and windings shall be protected with a corrosion resistant polyester, polyurethane or epoxy coating.
- J. Motors for Hazardous Locations. Motors for hazardous locations shall be in accordance with the NEC and of the correct type enclosures for the particular service as specified in NEMA MG 1. Motors shall meet the requirements of UL 674.
- K. Motors shall be provided with special corrosion- resistant finish and encapsulated windings meeting the requirements of NEMA MG1-1.27.2 and IEEE 841, or have IEEE 841 like features.
- L. Main Conduit Boxes. The main conduit box shall be in accordance with NEMA MG 1. The main conduit boxes shall be diagonally split for easy access to the motor leads, and designed for rotation in 90-degree increments. A gasket shall be furnished between the halves of the box. Conduit openings in the main conduit box shall match the size and quantity of conduits indicated on the one line Drawings.
- M. Unless specified otherwise, all motors shall be designed for full voltage starting and to operate from an electrical system that may have a maximum of 5 percent voltage distortion according to IEEE 519.

2.3 TESTING

- A. When specified, one (1) motor shall be given a complete initial test in accordance with IEEE 112 method B and shall include the following items:
 - 1. Current Balance
 - 2. High Potential Test
 - 3. Vibration Test
 - 4. Winding Resistance
 - 5. Locked Rotor Current
 - 6. No Load Running Current
 - 7. Full Load Heat Run
 - 8. Full Load Percent Slip
 - 9. Efficiency at 100%, 75% and 50% Load
 - 10. Power Factor at 100%, 75% and 50% Load
- B. When specified, noise test shall be performed in accordance with IEEE standard 85 decibels.
- C. When specified, water immersion test shall be performed in accordance with NEMA MG 1-20.48.
- D. Five (5) copies of certified test reports shall be submitted to the purchaser upon completion of all required tests.

- E. Purchaser reserves the right to witness any or all of the tests specified to be performed. Prices for this shall be included as a separate item in the seller's quotation.

PART 3 EXECUTION

3.1 INSTALLATION - New Vertical Turbine Pump Motors.

- A. Install per manufacturers recommended installation procedures.
- B. Contractor shall be responsible for removal of the old motor and installation of the new.
- C. Contractor shall be responsible for correct sizing, component orientation, mechanical fitment, startup and commissioning.
- D. Contractor shall be responsible to confirm and document motor "C" face fit has no more than .003 clearance to the pump stand.
- E. Contractor shall be responsible to confirm and document motor "C" face to shaft runout is no more than .002 TIR.
- F. Contractor shall be responsible to clean and inspect all coupling components. Measure all fits and bores with a documented max tolerance of .001.
- G. Contractor shall be responsible to remove the mechanical seal from the pump and set the motor on the pump stand. Attach a fixture to the motor shaft and indicate stuffing box bore with a documented max tolerance of .003 TIR.
- H. If all tolerances are acceptable contractor shall be responsible to install the mechanical seal, set pump lift and couple.

END OF SECTION

**EXHIBIT B
PRICING**

B. 1. New Motor Purchases from Repair Vendor

A. Vendors shall price motors using a discount off of Manufacturer's List Price. Awarded contractor shall provide the most recent Manufacturer's List Price Data (catalog, website, disc) and provide updates as they are released. US Motor's Titan line, Toshiba and GE motors. Vendors are free to submit % discount off of other equivalent motors but award will be based on ability to supply the listed motors along with the offered discounts.

	Manufacturer	% Discount off of Manufacturer's List Price		Manufacturer	% Discount off of Manufacturer's List Price		Manufacturer	% Discount off of Manufacturer's List Price
1	US Motors - Titan Line	10%		Marathon Motors	10%			
2	Toshiba	N/A						
3	GE	15%						

2. Repair Parts

A. Percent markup for incidental/repair parts, purchased by the Contractor, shall be: 10%

- Parts to be fabricated by contractor shall be quoted before use in repairs for City of Mesa.
- No markups will be paid on delivery charges for parts shipped to Contractor or for unauthorized outside labor
- Contractor shall provide evidence of purchased price for all repair parts to be marked up. Contractor shall provide a firm quote for all purchased repair parts and receive a written confirmation from the City before ordering.

3. Services – New Installations and Repair/Rewind

A. Crane Rental. Pricing shall include all labor material, overhead, fuel surcharges and taxes to perform the services as outlined in the solicitation.

	Crane Size / Style	Operator Charge		Delivery & Pick-Up Charge		Each Additional Crew Person	
1	17 ton / boom truck	\$ 75.00	Per Hour	no charge	Per Job	\$ 55.00	Per Hour
2		\$	Per Hour	\$	Per Job	\$	Per Hour
3		\$	Per Hour	\$	Per Job	\$	Per Hour
4		\$	Per Hour	\$	Per Job	\$	Per Hour

B. On-Site and Shop Services. Pricing shall include all labor material, overhead, fuel surcharges and taxes to perform the services as outlined in the solicitation.

Crew Size	Travel to & from job location within City from Contractor's yard		Standby charge after 30 Minutes	
1	Three (3) Man Crew	\$ 195.00	Per hour	\$ 195.00 Per hour
2	Two (2) Man Crew	\$ 130.00	Per hour	\$ 130.00 Per hour
3	One (1) Man Crew	\$ 65.00	Per hour	\$ 65.00 Per hour
4	Shop Estimate for Motor Repair/Rewind		no charge	Per job
a	If motor is repaired, does estimate charge go toward repair? Yes or No?			N/A
b	If City purchases new motor from you in lieu of repair, does estimate charge go toward purchase of new? Yes or No?			N/A
5	Shop Labor	\$	65.00	Per hour
6	Machinist	\$	65.00	Per hour
7	Shop Welder	\$	65.00	Per hour
8	Field Welder	\$	65.00	Per hour
9	Field Tech or Field Electrician	\$	65.00	Per hour
10	Infrared Camera / Thermal Images	\$	65.00	Per hour
11	Field Vibration Analysis Service	\$	65.00	Per hour
12	Onsite Balancing Service	\$	65.00	Per hour
13	Onsite Meggar Testing Service	\$	65.00	Per hour
14	Onsite Alignment Services	\$	65.00	Per hour
15	Shop Dynamic Balancing Service	\$	65.00	Per hour
16	Laser Shaft Alignment	\$	65.00	Per hour
17	Emergency work - Overtime and Weekend Rate Premium			140%
18	Emergency work - Holiday Rate Premium			140%
19	Offeror agrees to start each non-emergency job within how many hours after written notification?		72	Hours
20	Offeror agrees to start each emergency job within how many hours after written notification?		12	Hours
21	Emergency jobs can be completed within how many hours after written notification to proceed?		24	Hours
22	Will any sub-contractors be used for any part of this contract? Yes or No? If Yes, attach a list of sub-contractors and the specific services they will be providing.			No

Applicable Tax Rate: 8.6% Phoenix
Payment Terms: N30 days, 1% 15 days discount
Payment of invoices allowed using a Procurement Card

EXHIBIT C
MESA STANDARD TERMS AND CONDITIONS

1. **INDEPENDENT CONTRACTOR.** It is expressly understood that the relationship of Contractor to the City will be that of an independent contractor. Contractor and all persons employed by Contractor, either directly or indirectly, are Contractor's employees, not City employees. Accordingly, Contractor and Contractor's employees are not entitled to any benefits provided to City employees including, but not limited to, health benefits, enrollment in a retirement system, paid time off or other rights afforded City employees. Contractor employees will not be regarded as City employees or agents for any purpose, including the payment of unemployment or workers' compensation. If any Contractor employees or subcontractors assert a claim for wages or other employment benefits against the City, Contractor will defend, indemnify and hold harmless the City from all such claims.
2. **SUBCONTRACTING.** Contractor may not subcontract work under this Agreement without the express written permission of the City. If Contractor has received authorization to subcontract work, it is agreed that all subcontractors performing work under the Agreement must comply with its provisions. Further, all agreements between Contractor and its subcontractors must provide that the terms and conditions of this Agreement be incorporated therein.
3. **ASSIGNMENT.** This Agreement may not be assigned either in whole or in part without first receiving the City's written consent. Any attempted assignment, either in whole or in part, without such consent will be null and void and in such event the City will have the right at its option to terminate the Agreement. No granting of consent to any assignment will relieve Contractor from any of its obligations and liabilities under the Agreement.
4. **SUCCESSORS AND ASSIGNS, BINDING EFFECT.** This Agreement will be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.
5. **NO THIRD PARTY BENEFICIARIES.** This Agreement is intended for the exclusive benefit of the parties. Nothing set forth in this Agreement is intended to create, or will create, any benefits, rights, or responsibilities in any third parties.
6. **NON- EXCLUSIVITY.** The City, in its sole discretion, reserves the right to request the materials or services set forth herein from other sources when deemed necessary and appropriate. No exclusive rights are encompassed through this Agreement.
7. **AMENDMENTS.** There will be no oral changes to this Agreement. This Agreement can only be modified in a writing signed by both parties. No charge for extra work or material will be allowed unless approved in writing, in advance, by the City and Contractor.
8. **TIME OF THE ESSENCE.** Time is of the essence to the performance of the parties' obligations under this Agreement.
9. **COMPLIANCE WITH APPLICABLE LAWS.**
 - a. **General.** Contractor must procure all permits and licenses, and pay all charges and fees necessary and incidental to the lawful conduct of business. Contractor must stay fully informed of existing and future federal, state, and local laws, ordinances, and regulations that in any manner affect the fulfillment of this Agreement and must comply with the same at its own expense. Contractor bears full responsibility for training, safety, and providing necessary equipment for all Contractor personnel to achieve throughout the term of the Agreement. Upon request, Contractor will demonstrate to the City's satisfaction any programs, procedures, and other activities used to ensure compliance.
 - b. **Drug-Free Workplace.** Contractor is hereby advised that the City has adopted a policy establishing a drug-free workplace for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor will require a drug-free workplace for all Contractor personnel working under this Agreement. Specifically, all Contractor personnel who are working under this Agreement must be notified in writing by Contractor that they are prohibited from the manufacture, distribution,

dispensation, possession, or unlawful use of a controlled substance in the workplace. Contractor agrees to prohibit the use of intoxicating substances by all Contractor personnel, and will ensure that Contractor personnel do not use or possess illegal drugs while in the course of performing their duties.

- c. **Federal and State Immigration Laws.** Contractor agrees to comply with the Immigration Reform and Control Act of 1986 (IRCA) in performance under this Agreement and to permit the City and its agents to inspect applicable personnel records to verify such compliance as permitted by law. Contractor will ensure and keep appropriate records to demonstrate that all Contractor personnel have a legal right to live and work in the United States.
 - i. As applicable to Contractor, under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").
 - ii. A breach of the Contractor Immigration Warranty will constitute as a material breach of this Agreement and will subject Contractor to penalties up to and including termination of this Agreement at the sole discretion of the City.
 - iii. The City retains the legal right to inspect the papers of all Contractor personnel who provide services under this Agreement to ensure that Contractor or its subcontractors are complying with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections.
 - iv. The City may, at its sole discretion, conduct random verification of the employment records of Contractor and any subcontractor to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed.
 - v. Neither Contractor nor any subcontractor will be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214 (A).
- d. **Nondiscrimination.** Contractor represents and warrants that it does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and represents and warrants that it complies with all applicable federal, state, and local laws and executive orders regarding employment. Contractor and Contractor's personnel will comply with applicable provisions of Title VII of the U.S. Civil Rights Act of 1964, as amended, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), and applicable rules in performance under this Agreement.
- e. **State Sponsors of Terrorism Prohibition.** Per A.R.S. § 35-392, Contractor must not be in violation of section 6(j) of the Federal Export Administration Act and subsequently prohibited by the State of Arizona from selling goods or services to the City.

10. **SALES/USE TAX, OTHER TAXES.**

- a. Contractor is responsible for the payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's services under this Agreement, including by way of illustration but not limitation, federal and state income tax, Social Security tax, unemployment insurance taxes, and any other taxes or business license fees as required. If any taxing authority should deem Contractor or Contractor employees an employee of the City, or should otherwise claim the City is liable for the payment of taxes that are Contractor's responsibility under this Agreement, Contractor will indemnify the City for any tax liability, interest, and penalties imposed upon the City.

- b. The City is exempt from paying certain federal excise taxes and will furnish an exemption certificate upon request. The City is not exempt from state and local sales/use taxes.
11. **AMOUNTS DUE THE CITY.** Contractor must be current and remain current in all obligations due to the City during the performance of services under the Agreement. Payments to Contractor may be offset by any delinquent amounts due the City or fees and charges owed to the City.
12. **PUBLIC RECORDS.** Contractor acknowledges that the City is a public entity, subject to Arizona's public records laws (A.R.S. § 39-121 et. seq.) and that any documents related to this Agreement may be subject to disclosure pursuant to state law in response to a public records request or to subpoena or other judicial process.
- 12.1. If Contractor believes document related to the Agreement contains trade secrets or other proprietary data, Contractor must notify the City and include with the notification a statement that explains and supports Contractor's claim. Contractor also must specifically identify the trade secrets or other proprietary data that Contractor believes should remain confidential.
- 12.2. In the event the City determines it is legally required to disclose pursuant to law any documents or information Contractor deems confidential trade secrets or proprietary data, the City, to the extent possible, will provide Contractor with prompt written notice by certified mail, fax, email or other method that tracks delivery status of the requirement to disclose the information so Contractor may seek a protective order from a court having jurisdiction over the matter or obtain other appropriate remedies. The notice will include a time period for Contractor to seek court ordered protection or other legal remedies as deemed appropriate by Contractor. If Contractor does not obtain such court ordered protection by the expiration of said time period, the City may release the information without further notice to Contractor.
13. **AUDITS AND RECORDS.** Contractor must preserve the records related to this Agreement for six (6) years after completion of the Agreement. The City or its authorized agent reserves the right to inspect any records related to the performance of work specified herein. In addition, the City may inspect any and all payroll, billing or other relevant records kept by Contractor in relation to the Agreement. Contractor will permit such inspections and audits during normal business hours and upon reasonable notice by the City. The audit of records may occur at Contractor's place of business or at City offices, as determined by the City.
14. **BACKGROUND CHECK.** The City may conduct criminal, driver history, and all other requested background checks of Contractor personnel who would perform services under the Agreement or who will have access to the City's information, data, or facilities in accordance with the City's current background check policies. Any officer, employee, or agent that fails the background check must be replaced immediately for any reasonable cause not prohibited by law.
15. **SECURITY CLEARANCE AND REMOVAL OF CONTRACTOR PERSONNEL.** The City will have final authority, based on security reasons: (i) to determine when security clearance of Contractor personnel is required; (ii) to determine the nature of the security clearance, up to and including fingerprinting Contractor personnel; and (iii) to determine whether or not any individual or entity may provide services under this Agreement. If the City objects to any Contractor personnel for any reasonable cause not prohibited by law, then Contractor will, upon notice from the City, remove any such individual from performance of services under this Agreement.
16. **DEFAULT.**
- a. A party will be in default if that party:
- i. Is or becomes insolvent or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's capability to perform under the Agreement;
- ii. Is the subject of a petition for involuntary bankruptcy not removed within sixty (60) calendar days;

- iii. Conducts business in an unethical manner as set forth in the City Procurement Rules Article 7 or in an illegal manner; or
 - iv. Fails to carry out any term, promise, or condition of the Agreement.
- b. Contractor will be in default of this Agreement if Contractor is debarred from participating in City procurements and solicitations in accordance with Article 6 of the City's Procurement Rules.
 - c. **Notice and Opportunity to Cure.** In the event a party is in default then the other party may, at its option and at any time, provide written notice to the defaulting party of the default. The defaulting party will have thirty (30) days from receipt of the notice to cure the default; the thirty (30) day cure period may be extended by mutual agreement of the parties, but no cure period may exceed ninety (90) days. A default notice will be deemed to be sufficient if it is reasonably calculated to provide notice of the nature and extent of such default. Failure of the non-defaulting party to provide notice of the default does not waive any rights under the Agreement.
 - d. **Anticipatory Repudiation.** Whenever the City in good faith has reason to question Contractor's intent or ability to perform, the City may demand that Contractor give a written assurance of its intent and ability to perform. In the event that the demand is made and no written assurance is given within five (5) calendar days, the City may treat this failure as an anticipatory repudiation of the Agreement.
17. **REMEDIES.** The remedies set forth in this Agreement are not exclusive. Election of one remedy will not preclude the use of other remedies. In the event of default:
- a. The non-defaulting party may terminate the Agreement, and the termination will be effective immediately or at such other date as specified by the terminating party.
 - b. The City may purchase the services required under the Agreement from the open market, complete required work itself, or have it completed at the expense of Contractor. If the cost of obtaining substitute services exceeds the contract price, the City may recover the excess cost by: (i) requiring immediate reimbursement to the City; (ii) deduction from an unpaid balance due to Contractor; (iii) collection against the proposal and/or performance security, if any; (iv) collection against liquidated damages (if applicable); or (v) a combination of the aforementioned remedies or other remedies as provided by law. Costs includes any and all, fees, and expenses incurred in obtaining substitute services and expended in obtaining reimbursement, including, but not limited to, administrative expenses, attorneys' fees, and costs.
 - c. The non-defaulting party will have all other rights granted under this Agreement and all rights at law or in equity that may be available to it.
 - d. Neither party will be liable for incidental, special, or consequential damages.
18. **CONTINUATION DURING DISPUTES.** Contractor agrees that during any dispute between the parties, Contractor will continue to perform its obligations until the dispute is settled, instructed to cease performance by the City, enjoined or prohibited by judicial action, or otherwise required or obligated to cease performance by other provisions in this Agreement.
19. **TERMINATION FOR CONVENIENCE.** The City reserves the right to terminate this Agreement in part or in whole upon thirty (30) calendar days' written notice.
20. **TERMINATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511).** Pursuant to A.R.S. § 38-511, the City may cancel this Agreement within three (3) years after its execution, without penalty or further obligation, if any person significantly involved in initiating, securing, drafting, or creating the Agreement for the City becomes an employee or agent of Contractor.
21. **TERMINATION FOR NON-APPROPRIATION AND MODIFICATION FOR BUDGETARY CONSTRAINT.** The City is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. If the City reasonably determines that it does not have funds to meet its obligations under this Agreement, the City will have the right to terminate

the Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such termination, the City agrees to provide written notice of its intent to terminate thirty (30) calendar days prior to the stated termination date.

22. **PAYMENT TO CONTRACTOR UPON TERMINATION.** Upon termination of this Agreement, Contractor will be entitled only to payment for those services performed up to the date of termination, and any authorized expenses already incurred up to such date of termination. The City will make final payment within thirty (30) calendar days after the City has both completed its appraisal of the materials and services provided and received Contractor's properly prepared final invoice.
23. **NON-WAIVER OF RIGHTS.** There will be no waiver of any provision of this agreement unless approved in writing and signed by the waiving party. Failure or delay to exercise any rights or remedies provided herein or by law or in equity, or the acceptance of, or payment for, any services hereunder, will not release the other party of any of the warranties or other obligations of the Agreement and will not be deemed a waiver of any such rights or remedies.
24. **INDEMNIFICATION/LIABILITY.**
- a. To the fullest extent permitted by law, Contractor agrees to defend, indemnify, and hold the City, its officers, agents, and employees, harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including costs, attorneys', witnesses', and expert witnesses' fees, and expenses incident thereto, relating to, arising out of, or resulting from: (i) the services provided by Contractor personnel under this Agreement; (ii) any negligent acts, errors, mistakes or omissions by Contractor or Contractor personnel; and (iii) Contractor or Contractor personnel's failure to comply with or fulfill the obligations established by this Agreement.
 - b. Contractor will update the City during the course of the litigation to timely notify the City of any issues that may involve the independent negligence of the City that is not covered by this indemnification.
 - c. The City assumes no liability for actions of Contractor and will not indemnify or hold Contractor or any third party harmless for claims based on this Agreement or use of Contractor-provided supplies or services.
25. **WARRANTY.** Contractor warrants that the services and materials will conform to the requirements of the Agreement. Additionally, Contractor warrants that all services will be performed in a good, workman-like and professional manner. The City's acceptance of service or materials provided by Contractor will not relieve Contractor from its obligations under this warranty. If any materials or services are of a substandard or unsatisfactory manner as determined by the City, Contractor, at no additional charge to the City, will provide materials or redo such services until in accordance with this Agreement and to the City's reasonable satisfaction.
- Unless otherwise agreed, Contractor warrants that materials will be new, unused, of most current manufacture and not discontinued, will be free of defects in materials and workmanship, will be provided in accordance with manufacturer's standard warranty for at least one (1) year unless otherwise specified, and will perform in accordance with manufacturer's published specifications.
26. **THE CITY'S RIGHT TO RECOVER AGAINST THIRD PARTIES.** Contractor will do nothing to prejudice the City's right to recover against third parties for any loss, destruction, or damage to City property, and will at the City's request and expense, furnish to the City reasonable assistance and cooperation, including assistance in the prosecution or defense of suit and the execution of instruments of assignment in favor of the City in obtaining recovery.
27. **NO GUARANTEE OF WORK.** Contractor acknowledges and agrees that it is not entitled to deliver any specific amount of materials or services or any materials or services at all under this Agreement and acknowledges and agrees that the materials or services will be requested by the City on an as needed basis at the sole discretion of the City. Any document referencing quantities or performance frequencies represent the City's best estimate of current requirements, but will not bind the City to purchase, accept, or pay for materials or services which exceed its actual needs.

28. **OWNERSHIP.** All deliverables, services, and information provided by Contractor or the City pursuant to this Agreement (whether electronically or manually generated) including without limitation, reports, test plans, and survey results, graphics, and technical tables, originally prepared in the performance of this Agreement, are the property of the City and will not be used or released by Contractor or any other person except with prior written permission by the City.
29. **USE OF NAME.** Contractor will not use the name of the City of Mesa in any advertising or publicity without obtaining the prior written consent of the City.
30. **PROHIBITED ACTS.** Pursuant to A.R.S. § 38-504, a current or former public officer or employee within the last twelve (12) months shall not represent another organization before the City on any matter for which the officer or employee was directly concerned and personally participated in during their service or employment or over which they had a substantial or material administrative discretion. Further, while employed by the City and for two (2) years thereafter, public officers or employees are prohibited from disclosing or using, without appropriate authorization, any confidential information acquired by such personnel in the course of his or her official duties at the City.
31. **FOB DESTINATION FREIGHT PREPAID AND ALLOWED.** All deliveries will be FOB destination freight prepaid and allowed unless otherwise agreed.
32. **RISK OF LOSS.** Contractor agrees to bear all risks of loss, injury, or destruction of goods or equipment incidental to providing these services and such loss, injury, or destruction will not release Contractor from any obligation hereunder.
33. **SAFEGUARDING CITY PROPERTY.** Contractor will be responsible for any damage to City real property or damage or loss of City personal property when such property is the responsibility of or in the custody of Contractor or its employees.
34. **WARRANTY OF RIGHTS.** Contractor warrants it has title to, or the right to allow the City to use, the materials and services being provided and that the City may use same without suit, trouble or hindrance from Contractor or third parties.
35. **PROPRIETARY RIGHTS INDEMNIFICATION.** Without limiting the foregoing, Contractor will without limitation, at its expense defend the City against all claims asserted by any person that anything provided by Contractor infringes a patent, copyright, trade secret or other intellectual property right and must, without limitation, pay the costs, damages and attorneys' fees awarded against the City in any such action, or pay any settlement of such action or claim. Each party agrees to notify the other promptly of any matters to which this provision may apply and to cooperate with each other in connection with such defense or settlement. If a preliminary or final judgment is obtained against the City's use or operation of the items provided by Contractor hereunder or any part thereof by reason of any alleged infringement, Contractor will, at its expense and without limitation, either: (a) modify the item so that it becomes non-infringing; (b) procure for the City the right to continue to use the item; (c) substitute for the infringing item other item(s) having at least equivalent capability; or (d) refund to the City an amount equal to the price paid, less reasonable usage, from the time of installation acceptance through cessation of use, which amount will be calculated on a useful life not less than five (5) years, plus any additional costs the City may incur to acquire substitute supplies or services.
36. **CONTRACT ADMINISTRATION.** The contract will be administered by the Purchasing Administrator and/or an authorized representative from the using department. All questions regarding the contract will be referred to the administrator for resolution. Supplements may be written to the contract for the addition or deletion of services. Payment will be negotiated and determined by the contract administrator(s).
37. **FORCE MAJEURE.** Failure by either party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control, including acts of nature, acts of the public enemy, riots, fire, explosion, legislation, and governmental regulation. The party whose performance is so affected will within five (5) calendar days of the unforeseeable circumstance notify the other party of all pertinent facts and identify the force majeure event. The party whose

performance is so affected must also take all reasonable steps, promptly and diligently, to prevent such causes if it is feasible to do so, or to minimize or eliminate the effect thereof. The delivery or performance date will be extended for a period equal to the time lost by reason of delay, plus such additional time as may be reasonably necessary to overcome the effect of the delay, provided however, under no circumstances will delays caused by a force majeure extend beyond one hundred-twenty (120) calendar days from the scheduled delivery or completion date of a task unless agreed upon by the parties.

38. **COOPERATIVE USE OF CONTRACT.** The City has entered into various cooperative purchasing agreements with other Arizona government agencies, including the Strategic Alliance for Volume Expenditures (SAVE) cooperative. Under the SAVE Cooperative Purchasing Agreement, any contract may be extended for use by other municipalities, school districts and government agencies in the State of Arizona with the approval of Contractor. Any such usage by other entities must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective government agency.

The City currently holds or may enter into Intergovernmental Governmental Agreements (IGA) with numerous governmental entities. These agreements allow the entities, with the approval of Contractor, to purchase their requirements under the terms and conditions of this Agreement.

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. A school district, its governing board members, its school council members and its employees are exempt from civil liability for the consequences of adoption and implementation of policies and procedures pursuant to this subsection unless the school district, its governing board members, its school council members or its employees are guilty of gross negligence or intentional misconduct.

Additionally, Contractor will comply with the governing body's fingerprinting policy of each individual school district and public entity. Contractor, subcontractors, vendors and their employees will not provide services on school district properties until authorized by the school district.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City is not responsible for any disputes arising out of transactions made by others.

39. **FUEL CHARGES AND PRICE INCREASES.** No fuel surcharges will be accepted. No price increases will be accepted without proper request by Contractor and response by the City's Purchasing Division.
40. **NOTICES.** All notices to be given pursuant to this Agreement must be delivered to the parties at their respective addresses. Notices may be (i) personally delivered; (ii) sent via certified or registered mail, postage prepaid; (iii) sent via overnight courier; or (iv) sent via email or facsimile. If provided by personal delivery, receipt will be deemed effective upon delivery. If sent via certified or registered mail, receipt will be deemed effective three (3) calendar days after being deposited in the United States mail. If sent via overnight courier, email or facsimile, receipt will be deemed effective two (2) calendar days after the sending thereof.
41. **GOVERNING LAW, FORUM.** This Agreement is governed by the laws of the State of Arizona. The exclusive forum selected for any proceeding or suit in law or equity arising from or incident to this Agreement will be Maricopa County, Arizona.
42. **INTEGRATION CLAUSE.** This Agreement, including all attachments and exhibits hereto, supersede all prior oral or written agreements, if any, between the parties and constitutes the entire agreement between the parties with respect to the work to be performed.

43. **PROVISIONS REQUIRED BY LAW.** Any provision required by law to be in this Agreement is a part of this Agreement as if fully stated in it.
44. **SEVERABILITY.** If any provision of this Agreement is declared void or unenforceable, such provision will be severed from this Agreement, which will otherwise remain in full force and effect. The parties will negotiate diligently in good faith for such amendment(s) of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.
45. **SURVIVING PROVISIONS.** Notwithstanding any completion, termination, or other expiration of this Agreement, all provisions which, by the terms of reasonable interpretation thereof, set forth rights and obligations that extend beyond completion, termination, or other expiration of this Agreement, will survive and remain in full force and effect. Except as specifically provided in this Agreement, completion, termination, or other expiration of this Agreement will not release any party from any liability or obligation arising prior to the date of termination.
46. **A.R.S. SECTIONS 1-501 and 1-502.** Pursuant to Arizona Revised Statutes Sections 1-501 and 1-502, any person who applies to the City for a local public benefit (the definition of which includes a grant, contract or loan) must demonstrate his or her lawful presence in the United States. As the Agreement is deemed a local public benefit, if Contractor is an individual (natural) person or sole proprietorship, Contractor agrees to sign and submit the necessary documentation to prove compliance with the statutes as applicable.

EXHIBIT B
TO
COOPERATIVE PURCHASING AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
PRECISION ELECTRIC CO., INC.

[Materials Order]

See following pages (to be attached subsequent to execution).