

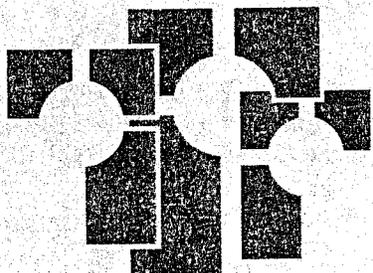
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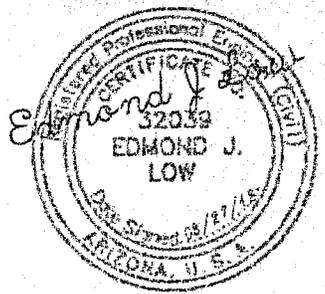
**PROJECT SPECIFICATIONS AND  
CONTRACT DOCUMENTS**

C-8071  
06/12/2012

PROJECT NO. 091030  
ARROWHEAD RANCH WATER RECLAMATION FACILITY  
AERATION BLOWER IMPROVEMENTS PROJECT  
APRIL 2012



**GLEND~~A~~LE**



CITY OF GLENDALE

ENGINEERING DEPARTMENT  
5850 W. Glendale Avenue, Glendale, Arizona 85301 (623) 930-3630



# Engineering Department

# Memorandum

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DATE: April 19, 2012  
TO: All Plan and Specification Holders  
FROM: Engineering  
SUBJECT: PROJECT NO. 091030 – ARROWHEAD RANCH WATER RECLAMATION  
FACILITY AERATION BLOWER IMPROVEMENTS

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## ADDENDUM NO. 1

In accordance with the contract documents "Information for Bidders," Page 4, Paragraph 12 CHANGES TO PLANS AND DOCUMENTS, the following revisions to the plans and specifications shall become a part of the contract documents and the bidder shall acknowledge receipt thereof as directed in Paragraph 13 of the Information for Bidders.

Please amend the project specifications and contract documents to include the attached Siemens Proposal T4973-01349 Rev 5 dated February 9<sup>th</sup>, 2012 (3 pages) and Brown and Caldwell Scope of Work dated March 2012 (3 pages). These documents further clarify;

- Bid Schedule (page 8) Bid Item 1 Owners Contingency for Siemens...
- Bid Schedule (page 8) Bid Item 2 Owners Contingency for Blower Improvements Programming Services...
- Special Provisions item 10 (page 41), Siemens Blower LCP upgrades and Master Control Panel
- Special Provisions item 11 (page 41), Blower Improvements Programming Services

**PLEASE SEE ATTACHED**



**THIS ADDENDUM CONSISTS OF 7 PAGES INCLUDING THE COVER PAGE**

# SIEMENS

## PROPOSAL

4654 W. Farm Road 130  
Springfield, MO 65802

Represented By:

Mr. Dennis Gamache

Western Environmental Equipment Co, Inc.  
8320 Each Gelding Drive, Suite 101  
Scottsdale, AZ 85262

Tel: 480-607-2884

Email: [dgamache@weeci.com](mailto:dgamache@weeci.com)

Page One

Quote for: Mr. Tom Kaczmarowski  
Senior Civil Engineer  
City of Glendale Eng. Dept., Suite 315  
5850 West Glendale Ave.  
Glendale, AZ 85301  
Tel: 623-930-3640  
Email: [tkaczmarowski@glendaleaz.com](mailto:tkaczmarowski@glendaleaz.com)

Opportunity: Glendale, Arrowhead Ranch WRF  
Quote No: T4973-01349 Rev 5  
Date: February 9<sup>th</sup>, 2012

### **Siemens LCP Upgrade & Master Control Panel**

Upgrade three (3) existing local control panel (LCP) programmable logic controllers (PLC) with new Modicon M340 PLC, associated Ethernet, analog and digital input/output cards and power supplies. Panel door upgraded items include color 10" Modicon Magelis operator interface. Siemens will provide installation labor and services to replace the existing LCP PLCs and HMIs with new components and will also include wiring updates, programming, testing and other related work for integration with the new Master Control Panel (MCP).

One (1) NEMA 12 wall mounted Master Control Panel with Modicon M340 PLC, with communication card as well as inputs and outputs to control the header pressure and existing blowers. Panel door mounted items include color 10" Modicon Magelis operator interface monitor and main disconnect. A 120V power supply is required and the panel is a UL listed assembly. Labor to install the MCP will be by the contractor. Siemens will be available to assist the Owner's programmer with integration into the plant HMI/SCADA system. Additionally PLC addressing for data to/from the plant HMI/SCADA will be provided by Siemens. Ethernet IP addressing must be provided by the Customer at least 14 days prior to shipment of the LCPs and MCP.

#### **Shipped Loose Components:**

Modicon M340 PLC, three (3) – Installed by Siemens

Modicon Magelis HMI, three (3) – Installed by Siemens

MCP, one (1) – Installed by Contractor

Header pressure transmitter, one (1) – Installed by Contractor

Header blow-off valve, electric actuated, one (1) – Installed by Contractor

Header blow-off silencer with adapter, one (1) - Installed by Contractor

#### **Start-up Service:**

Start-up and operator training is included, notification of 10 working days in advance is required for scheduling. Services include five (5) total trips to the job site and include installation labor for the LCP operator interface and PLCs. Preliminary start-up schedule would be as follows:

Trip 1 – Modify LCP 1 and demonstrate full functionality between LCP 1 and the pre-installed MCP. Assist owner's programmer with integration into the Plant HMI/SCADA system. Demonstrate full functionality between the MCP and the pre-installed header pressure transmitter, header BOV and silencer.

Trip 2 – Modify LCP 2 and demonstrate full functionality between LCP 2 and the MCP.

Trip 3 – Modify LCP 3 and demonstrate full functionality between LCP 3 and the MCP, plus four (4) hours of startup training.

Trip 4– Post Startup Trip, forty-five (45) calendar days after start-up, to include one eight (8) hour day.

#### **Factory Test (Non-Witnessed):**

Functional Control Panel Test of the MCP. Test documents are available to the owner upon request.

**Payment Terms:** 10% upon issuance of Submittal package  
40% upon receipt of raw materials  
20% upon successful completion of Functional Control Panel Test  
30% at time of final shipment

Terms are 100 percent of invoiced value without deduction and to be paid Net 30 days after invoice date. Payment shall not be dependent on the contractor being paid by any third parties. Under no circumstances will payment be dependent on acceptance of the equipment by the Owner.

**Drawings and Shipment:**

Submittal for review will be in 4 weeks after acceptance of the order by Siemens. Shipment will be 12-15 weeks after receipt of approved submittal by Siemens.

**Warranty:**

Warranties will expire eighteen (18) months after shipment or twelve (12) months after start-up (which shall be the Siemens certified date the equipment is available for beneficial use), whichever occurs first. Under no circumstances will the warranty begin upon "beneficial use", completion of the project, or acceptance of the equipment as determined by the engineer or end user. Any and all warranty terms and conditions detailed in the proposal herein shall supersede and/or supplement the warranty language denoted in the Siemens standard terms and conditions.

**Items Not Included:**

Taxes, bonds, installation labor for the master control panel, installation labor for the header blow-off valve/silencer, installation labor for the header pressure transmitter, or any other items not specifically listed above is not included.

**Pricing\*:**

Not to Exceed Price for Siemens LCP Upgrade with Master Control Panel & Header Pressure Control \$ 138,034  
(freight\*\* & start-up included)

\* Any reused items found to be defective will be brought to the attention of the Owner for an extra unit price add and are not included in this quote.

\*\* F.O.B. factory and freight allowed to the jobsite. This proposal is firm for 90 days.

THE TERMS AND CONDITIONS ON THE BACK OF THIS SALES AGREEMENT ARE INCORPORATED HEREIN AND MADE PART OF THE AGREEMENT. PLEASE READ THESE TERMS AND CONDITIONS CAREFULLY.

**SIEMENS ENERGY INC.**  
**O&G DIVISION, TURBOMACHINERY SOLUTIONS GROUP**  
**TERMS AND CONDITIONS**

**1. ACCEPTANCE**

All orders shall be made out to Siemens Energy Inc. and subject to acceptance by Siemens at our plant located in Springfield, Missouri. This proposal may be revoked by Siemens without liability at any time prior to our written acceptance. The quotation is based on Siemens terms and conditions as stated herein. Any modifications must be communicated in writing and accepted by Siemens. Modifications to our terms may affect the quoted price. This agreement is governed by and subject to the laws of the State of Missouri.

**2. SHIPMENTS, DELIVERY & "FORCE MAJEURE"**

Shipment dates are our best estimate, and not guaranteed. Siemens will make all reasonable efforts to meet specified shipment dates including expediting subvendors, but will have no liability for any failure or delay in performance with respect to delivery or otherwise, if such failure or delay is due to any cause beyond our control including but not limited to: any act of God, war, civil disturbance, riot, labor difficulty, fire, other casualty, accident, new export restrictions or our supplier's failure or inability to perform.

All shipments, whether partial or complete, will be accompanied by a detailed shipping list with the quantities certified correct by a Siemens Inspector. It is the Purchaser's responsibility to inspect each item carefully for damage or shortages. Siemens shall not be obligated to consider any claim for shortages unless notified within ten (10) working days after the Purchaser's receipt of equipment. Seller shall further be obligated to comply with any national or international export control regulations as outlined in the Siemens Export Control Clause for any third party transfers of the works provided or performed.

Siemens pricing is based on FOB point of shipment (factory), which means title passes to the Purchaser when loaded on trucks at the point of manufacture. Any damage or claims for shipment damage are the Purchaser's responsibility. Siemens shall retain a security interest in the equipment as enumerated in Item five (5) below.

**3. APPROVAL DRAWINGS & SUBMITTALS**

Any preliminary drawings and accompanying information attached to the Siemens quotation are for illustration purposes only to show approximate dimensions and arrangement.

Submittal drawings, engineering data and catalog cuts will be forwarded after receipt of the order, in the period indicated on the quotation. This estimate of submittal time may be affected by our backlog at the time of order acceptance and timely receipt of specifications, drawings and details from the Purchaser. Negotiation of terms and conditions will also affect the submittal date.

**4. CREDIT APPROVAL & PAYMENT**

All orders are subject to the approval of Purchaser's credit. Siemens' terms of payment are 100% of the invoice amount without deduction, net 30 days after invoice date for any partial or complete shipments made. Other terms may affect our pricing. Orders written to Siemens providing for retention of monies until total job completion are not acceptable. Purchaser's payment obligation shall not be in any way dependent or contingent upon payment from any other party. Any balance owed Siemens after thirty (30) days is subject to a 1.5% per month delinquency charge until paid. If Purchaser's financial condition becomes impaired, or if payments are delayed for any reason, Siemens may, at our discretion, suspend work on the equipment, demand pre-payment before any future shipments are made or file a lien on any equipment we provided. We may withhold instruction manuals, certification of equipment or startup services as required to secure payment. Any additional charges for collection, including attorney's fees, shall be paid by the Purchaser.

When the Purchaser is responsible for any delay in shipment, the date of completion of equipment may be treated by Siemens as the date of shipment and the Purchaser invoiced accordingly. Completed equipment shall be held by Siemens, and Siemens has the right to bill the Purchaser for reasonable storage and insurance expenses.

The Purchaser shall furnish Siemens with a copy of the Purchaser's performance and payment bond (if applicable), to be utilized in the event of non-payment by the Purchaser.

**5. SECURITY INTEREST**

Until all amounts due us have been paid in full, Siemens shall retain a security in the equipment and have all rights of a secured party under the Uniform Commercial Code, including the right to repossess the equipment without legal process.

**6. SOFTWARE LICENSE & CONFIDENTIALITY**

Siemens grants to Purchaser a nonexclusive, nontransferable license to utilize the Siemens Software furnished. Such license is limited to Purchaser's internal use at or for the Equipment with which such Software is incorporated. All title and ownership of the Siemens Software, including, without limitation, the copyright to such Software, shall remain exclusively with Siemens. Purchaser may make a reasonable number of backup copies of the Software for evaluation, installation, and maintenance of the Siemens Equipment. Purchaser shall not itself, or with the assistance of others, reverse compile, reverse engineer, or in any other manner attempt to decipher in whole or in part the logic or coherence of any Software licensed hereunder, nor have any right to sell, assign nor otherwise disclose Software to any third party. Third party Software provided by Siemens may be subject to a separate license agreement and/or registration requirements and limitations on copying and use.

Purchaser hereby agrees that any confidential information we provide will be expressly protected at all times. Purchaser's rights to this information shall be limited solely to the use in operation, repair and/or maintenance of the designated project. At no time will any permanent transfer of title be created for any technical drawings or intellectual property, nor shall any of this specifically designated information be disclosed other than for the above stated purposes.

**7. CANCELLATION OR DELAY**

Should this order be canceled by the Purchaser without Siemens' consent, the Purchaser shall be obligated to pay for work performed and equipment purchased by Siemens, plus a reasonable profit. Any costs related to suspension or delays caused or required by the Purchaser shall be for the Purchaser's account.

**8. WARRANTY**

For the benefit of the original user only, Siemens warrants that the equipment and software of our manufacture will be free from defects in material and workmanship when installed,

operated and maintained under design conditions and in accordance with our written instructions. Siemens will replace or repair FOB, our factories or other locations designated by us, any parts or defective software returned which examination shall show it to have failed under normal use and service by the original user, normal wear and tear excepted.

Warranties will expire eighteen (18) months after shipment or twelve (12) months after start-up (which shall be the Siemens certified date the equipment is available for beneficial use), whichever occurs first. Expendable items such as V-belts, filter media, oil, and grease are excluded from this warranty.

This warranty, including stated remedies, is expressly made by Siemens and accepted by Purchaser in lieu of all other warranties, and Siemens disclaims any implied warranty of merchantability or fitness for any particular purpose.

If the equipment Siemens is to provide is contractually subject to the final approval of a consulting engineer, who disapproves our equipment prior to shipment, the Purchaser's order may be canceled by either party, without liability to the other, provided that Siemens shall have the right to appeal the consulting engineer's decision, if such right is available under the contract or applicable law and regulations. In the event the consulting engineer has not given final approval to our equipment within 12 weeks after original submittals are forwarded, Siemens may cancel the Purchaser's order without liability.

This warranty shall not apply to equipment or parts thereof which have been altered or repaired outside of a Siemens factory, or damaged by improper installation, application, erosion or corrosion of any sort, or subjected to misuse, abuse, neglect or accident. Siemens will make no allowance or reimbursement for repairs, alteration, replacements or work of any kind, done or ordered by others without Siemens' prior, written authorization. This warranty does not include any installation, removal or freight expense that might be associated with warranty repair or replacement. Free and clear access to the equipment shall be provided for Siemens warranty repair work. Repair, replacement or refund of the purchase price by Siemens, at our sole option, shall be the exclusive remedy for breach of this warranty.

Siemens makes no warranty with respect to parts, accessories, or components manufactured by others. The warranty applicable to such items is that offered by their respective manufacturers and will be passed through Siemens to the original user.

Siemens warrants for each item of Technical Services that (i) the advice, recommendations and performance of its personnel will reflect competent knowledge and judgment and (ii) the technical information, reports and analyses transmitted by Siemens will reflect competent knowledge and judgment, beginning with the start of the item of Technical Services and ending one (1) year after completion of Technical Services by Siemens (the "Technical Services Warranty Period").

If during the Technical Services Warranty Period, Siemens is promptly notified in writing that any portion of the Technical Services fails to conform to the Technical Services Warranty, Siemens will promptly re-perform the nonconforming portion of the Technical Services.

**9. INDEMNITY**

Until the expiration of the applicable Warranty Period, Siemens shall indemnify, hold harmless and defend Purchaser its officers, directors and employees from and against any claims, demands, suits, liabilities, judgments, losses, damages, costs or expenses (including reasonable legal fees, costs and charges) for personnel injury or death or loss of or damage to third party property (except property of customers of Purchaser or property incorporated in or intended to be incorporated in the project), to the extent caused by or arising out of any negligent act or omission or willful misconduct of Siemens, or any of its officers, directors, agents, employees or Suppliers in connection with performance of work under the Agreement.

Siemens also agrees to hold Purchaser harmless from any infringement or alleged infringement of any patents or copyrights for any equipment furnished by Siemens.

Siemens will not be liable for any consequential, liquidated or incidental damages including but not limited to the loss of profit, loss of production or loss of business, and in no event shall Siemens be liable for any amount in excess of the purchase price of the equipment.

**10. TAXES**

Taxes are not included in our pricing. Any applicable taxes will be added to the price and invoiced separately.

**11. NOISE TESTS**

Siemens will not certify or guarantee a final installed noise level because of the many variables that affect sound levels, i.e. size of room, room construction materials, other equipment in room, equipment spacing, ventilation, piping, etc. Refer to proposal for any specific details.

**12. STARTUP**

Unless specifically stated in Siemens' quotation, installation, startup, service supervision and training are not included in our pricing. These responsibilities shall be the exclusive responsibility of the Purchaser. It shall further be the responsibility of the Purchaser to ensure that there is no asbestos or similar environmental or health and safety hazard present during the performance of the order.

A trained factory serviceman is available at the rate stated in our quotation, with all travel and living expenses billed at cost plus ten percent. Service charges are based on a standard eight (8) hour work day with time charged from the date of his departure from the home office to the date of return. Overtime and weekend travel will be charged at time and one-half and double-time, respectively.

**13. VARIATIONS**

Any variation from the Siemens terms and conditions herein must be approved in writing by Siemens, or Siemens will not be bound thereby.

## Scope of Work

City of Glendale

Arrowhead Ranch Water Reclamation Facility

Aeration Blower Improvements Project Programming Services

March 2012

### Project Overview

The Glendale Arrowhead Ranch Water Reclamation Facility (WRF) is making improvements to the plant aeration blower control system. Part of the improvements include adding a blower Master Control Panel (MCP) and replacing the three individual blower Programmable Logic Controllers (PLCs) and Operator Interface Terminals (OITs) with new hardware. The hardware and programming for the MCP and individual blower PLCs and OITs will be done by others. Programming services will also need to be provided for integration of this new blower control strategy in the interim with the existing blower controls and replacement of the existing blower controls. Brown and Caldwell (BC) programming scope is for the plant Supervisory Control and Data Acquisition (SCADA) and interface with the blower MCP.

BC's services are limited to programming the plant iFIX Proficy SCADA for the new data points and addressing from the new MCP and programming modifications in the Bioreactor PLC to allow replacement of the existing blower control system.

Following is a list of tasks for this project:

- Control Network Programming Assistance:
  - Coordination of control system communication with new Network Interface Cabinet.
  - Assistance to validate existing Modbus Plus network efficiency.
  - Configure Ethernet I/O driver software in Human Machine Interface (HMI) server computers.
- Program HMI at WRF Plant SCADA:
  - Match existing data with data from new MCP.
  - Modify Plant SCADA polling to communicate with MCP.
  - Modify existing Plant SCADA screens for data from new MCP.
  - Assist Contractor (MCP Programmer) with data in new MCP to/from Plant SCADA.
- Provide start-up assistance and training:
  - Modify Bioreactor PLC for replacement of existing PLC logic with new MCP control.
  - Assist Contractor (MCP Programmer) during switchover of existing blower controls to new MCP control.
  - Provide operator training on Plant SCADA screen modifications.

Note: No software, software licenses, hardware, or hardware keys are provided with this scope of work.

### Requirements of Contractor

BC will require the following items/task from Contractor and/or Owner to assist in the scope of this project:

- Provide a single point of contact for BC to interface with during the extent of the project to verify the proper coordination of the work performed.
- Provide coordination with Owner, as necessary, for access to site and completion of project scope.
- Provide Contractor protocols and regulations regarding working within this facility; such as, parking, sign-in/sign-out and security procedures, emergency contacts and other appropriate information.
- Glendale Arrowhead Aeration Blower operations are the sole responsibility of Contractor and Owner/Operator. BC cannot be held liable for any operational impact of this project.

- Owner/Operator is responsible for coordination of any software changes during this project. Any changes by others to the WRF Plant HMI application that impacts the project will be handled on a Time and Materials basis.
- Ethernet IP Addresses to be used by MCP Blower control panel to be provided to BC by Owner before Functional Control Panel Test of MCP (Functional Control Panel Test identified in proposal from Siemens).
- MCP PLC addressing, ranges, and descriptions to be provided to BC at time of successful completion of Functional Control Panel Test.

### Phase 100 Programming Project Management

#### Task 101

Objectives: Manage programming of Plant SCADA for Aeration Blowers.

#### Activities:

- Perform overall project management, project tracking, report the progress of the project, and provide monthly invoicing.
- Coordinate schedules with Contractor.
- Review PLC and HMI programming prior to field modifications.
- Manage any change requests during course of project.

Deliverables: Monthly invoicing.

### Phase 200 Network Programming Assistance

#### Task 201

Objectives: The existing ModBus+ network in the Blower Building will need to be relocated for rework of the Turbplex blowers. Once the new blower MCP has been installed, the Modbus+ network will need to be reinstalled in the new control panel. Validation of existing network node and communication status shall be evaluated prior to ModBus+ network modifications and after modifications to the network have been completed. In addition, the HMI will communicate with the blower MCP via an Ethernet connection. The Ethernet Input/Output ( I/O) driver software in the HMI server computer will need to be configured for the new blower MCP node.

#### Activities:

- Validate existing network nodes using MBP Stat software utility before network modifications. Evaluate communication traffic efficiency. Determine and provide Modbus+ address to Contractor for blower MCP. Validate MCP network node after network modifications have been completed.
- Provide programming assistance with relocation of ModBus+ network to allow rework of existing blowers. Three site visits for a total of 18 hours.
- Provide programming assistance with relocation of ModBus+ network to install new blower MCP. Limit of one site visit for a total of 6 hours.
- Configure Ethernet I/O driver software in HMI server computer for communications to blower MCP. Installation and licensing of the Ethernet I/O driver software is not included in this scope.

Deliverables: Documented changes to SCADA Ethernet I/O driver software and Modbus+ network efficiency.

### Phase 300 HMI Programming

#### Task 301

Objectives: Due to rework of the plant aeration blowers and new MCP, HMI programming will need to be completed to display the information from the blowers and MCP on the HMI screens. Programming will be performed on the existing HMI system to match the existing data with information from the new blower MCP. Data and PLC memory addressing to be provided by blower manufacturer's programmer, matching Process and Instrumentation Diagram (P&ID) drawing data points. BC will complete the following to modify existing HMI programming to display aeration blower data on plant computer screens. Onsite programming will be based on P&ID drawings of data points being brought into HMI system from new blower MCP. Total quantity of points modified and added to not exceed existing discrete and analog data points.

**Activities:**

- Match existing data on HMI screens with applicable data from new MCP. Revise descriptions of these points as necessary.
- Unused data on HMI screens from blower equipment will be removed from HMI screens.
- Add new points from P&ID drawings P100, P101 and P102 on new blower equipment to display on HMI screens.

Deliverables: HMI screens and database modified in SCADA HMI application. Backup copy, in electronic format, of HMI application after modifications.

**Phase 400 Start-up Assistance and Training****Task 401**

Objectives: Assist Contractor with start-up as it relates to blower SCADA programming, new MCP control system tuning and troubleshooting. To allow sequenced rework of the aeration blowers and integration with new blower MCP, programming modifications will need to be completed in the Bioreactor PLC. Programming modifications will be performed on the existing PLC program to allow replacement of the existing blowers with the new blower MCP. Unused logic after modifications are completed will not be removed from program.

**Activities:**

- Disable PLC logic for old blowers that prevent new blowers and other plant equipment from running or operating.
- Existing enable to run for each blower in Bioreactor PLC used for the MCP permissives on each blower.
- Assist Contractor with switchover from existing blower controls to new MCP controls.
- Provide training on SCADA screens for modifications and new data from MCP.

Deliverables: Documented, furnished on CD-ROM, PLC program with onsite start-up modifications.

**Project Clarifications**

- BC is not supplying hardware and is not providing training for hardware in this proposal.
- BC is not supplying software or software licensing in this proposal.
- BC is not providing Operation & Maintenance Manuals in this proposal.
- BC is programming only the Arrowhead Ranch WRF plant iFIX Proficy SCADA, plant PLC modifications, and assisting with plant control communications. Aeration Blower MCP and each individual blower control panel programming and startup will be provided by others.

**Compensation**

Compensation for services stated herein shall be on a lump sum basis in the amount of \$38,648. Invoices will be submitted on a monthly basis.

**Schedule**

Work will commence within 7 working days upon receipt of a written Notice to Proceed (NTP) from Contractor. Estimated completion of this scope of work will be 30 working days after successful start-up. Completion schedule is dependent upon schedule and installation of MCP panel, individual blower panels, and related hardware by Contractor. It is expected the final completion of this project will be within 1 year after NTP. If the project exceeds this schedule, additional scope of work or a task order may need to be approved.

# **PROJECT SPECIFICATIONS AND CONTRACT DOCUMENTS**

## **MAYOR**

Elaine M. Scruggs

## **VICE-MAYOR**

Steven E. Frate

## **COUNCIL MEMBERS**

Norma S. Alvarez

Joyce V. Clark

Yvonne J. Knaack

H. Philip Lieberman

Manuel D. Martinez

## **CITY MANAGER**

Ed Beasley

## **CITY CLERK**

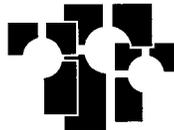
Pamela Hanna

## **CITY ATTORNEY**

Craig D. Tindall

## **ACTING CITY ENGINEER**

Gregory Rodzenko



**GLEND~~A~~LE**

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NOTICE TO CONTRACTORS

Sealed bids shall be either mailed to the City of Glendale Engineering Department, 5850 West Glendale Avenue, Glendale, Arizona, 85301, or hand-delivered to the Engineering Department office, third floor, 5850 West Glendale Avenue, Glendale, Arizona, for furnishing all plant, material, equipment and labor, and to complete construction of: **PROJECT NO. 091030 - ARROWHEAD RANCH WATER RECLAMATION FACILITY AERATION BLOWER IMPROVEMENTS PROJECT**. Project consists of upgrading controls and piping associated with the existing aeration blower system. This will generally consist of modification of three local control panels with new PLC and HMI, installing new master control panel and integration with existing plant SCADA system. Additionally, reconstructing portions of blower discharge header to accommodate new blow-off valve piping and blow-off silencer and new main header pressure transmitter and new differential pressure instrument on suction air plenum for each blower.

Bids must be received by the Engineering Department of the City of Glendale no later than 10:00 AM, APRIL 26, 2012. Any bid received after that time will not be considered and will be returned to the bidder. At that time, the bids will be publicly opened and read aloud in the Engineering Department Conference Room, 5850 West Glendale Avenue, Glendale, Arizona.

A pre-bid conference will be held on APRIL 10, 2012, at 1:00 PM, at Arrowhead Ranch Water Reclamation Facility located at approximately Union Hills Drive and 81<sup>st</sup> Avenue, Glendale, Arizona. Bidders, contractors, and other interested parties are invited to attend this conference which will be conducted by the Owner and Engineer to answer any questions.

Plans, specifications and contract documents may be examined, and copies may be obtained at City of Glendale Engineering Department, 5850 West Glendale Avenue, Glendale, Arizona. A non-refundable charge of \$75 shall be paid for each set of plans and specifications issued from this office.

Each bid shall be in accordance with the plans, specifications and contract documents, and shall be set forth and submitted on the BID DOCUMENTS included with the project specifications book. The BID DOCUMENTS may be removed from the project specifications book and submitted independently of such book. Each bid shall be accompanied by a proposal guarantee, in the form of a certified or cashier's check or bid bond for ten percent (10%) of the amount of bid, made payable to the order of the City of Glendale, Arizona, to insure that the successful bidder will enter into the contract if awarded to him and submit the required Certificate of Insurance, Payment Bond and Performance Bond. All proposal guarantees, except those of the three lowest qualified bidders, will be returned immediately following the opening and checking of proposals. The proposal guarantees of the three lowest qualified bidders will be returned immediately after the contract documents have been executed by the successful bidder. The proposal guarantee shall be declared forfeited as liquidated damages if the successful bidder refuses to enter into said contract or submit the Certificate of Insurance, Payment Bond and Performance Bond after being requested to do so by the City of Glendale, Arizona.

The City of Glendale reserves the right to reject any or all bids or waive any informality or irregularity in a bid. No bidder may withdraw his bid for a period of fifty (50) days after opening and reading of the bids.

The City of Glendale is an equal opportunity employer and minority business enterprises and women's business enterprises are encouraged to submit bids.

CITY OF GLENDALE, ARIZONA

Published: MARCH 29, 2012 AND APRIL 5, 2012  
The Glendale Star

INFORMATION FOR BIDDERS

1. **ELIGIBILITY OF CONTRACTORS:** When calling for bids for contracts for public work to be performed on behalf of the State or any political subdivision thereof, which will be paid for from public funds, no bid shall be considered for performance of a contract, including construction work which is not submitted by a bidder duly licensed as a contractor in this State. No bid shall be awarded to any contractor or entity not authorized to do business in the State of Arizona by the Arizona Corporation Commission, as required by statute.

2. **PROPOSAL:** Bids to receive consideration shall be made in accordance with the following instructions:

(a) Before submitting a bid, bidders shall carefully examine the plans and specifications and contract documents, visit the site of the work, fully inform themselves as to all existing conditions and limitations.

(b) Bids shall be submitted on the "PROPOSAL" forms provided and delivered to the City of Glendale Engineering Department on or before the day and hour set in the "NOTICE TO CONTRACTORS," as published. Bids shall be enclosed in a sealed envelope marked on the outside lower right-hand corner indicating:

1. The bidder's name and address.
2. The project number.
3. The title of the project.
4. The time and date the bids are to be received.

(c) It is the sole responsibility of the bidder to see that his bid is received in proper time. Any bids received after the scheduled closing time for receipt of bids will be returned to the bidder unopened.

(d) The signatures of all persons shall be in longhand. Any interlineations, alterations, or erasures must be initialed by the signer of the bid.

(e) Bids shall not contain any recapitulations of the work to be done. No oral, telegraphic, telephonic, or modified proposals will be considered.

3. **BID SECURITY:** Each proposal shall be accompanied by a proposal guarantee in the form of a certified or cashier's check or bid bond, with a properly executed Power of Attorney attached, in an amount equal at least to ten percent (10%) of the proposal payable without condition to the City. If a bid bond is submitted with the bid it shall be issued by a company licensed with the Arizona Department of Insurance and authorized to issue such bonds in this state. **NO BONDS ISSUED BY INDIVIDUAL SURETIES WILL BE ACCEPTED. The company issuing the bid bond shall have a rating of not less than A- in the BEST rating available at the time this project was let to bid.** The proposal guarantee shall guarantee that the bidder, if awarded the contract, will, within ten (10) working days after the award, execute such contract in accordance with the proposal and in manner and form required by the contract documents, and will furnish good and sufficient bond for the faithful performance of the same, a payment bond and a certificate of insurance. The bid securities of the three (3) lowest bidders will be retained until the contract is awarded, or other disposition made thereof. The bid securities of all bidders, except the three (3) lowest, will be returned promptly after the canvass of bids. In the event the Contractor fails, within ten (10)

working days after the award, to execute said Contract and deliver the Performance and Labor and Material Payment Bonds and the Certificate of Insurance, the Bid Security shall become the property of the City.

4. **WITHDRAWAL OF BID:** Any bidder may withdraw his bid, either personally, by telegram or by written request, at any time prior to the scheduled closing time for receipt of bids. No bid may be withdrawn by telephone. Any bid withdrawn will not be opened and will be returned to the bidder. After opening and reading of the bids, no bidder may withdraw his bid for a period of fifty (50) days from the date of opening and reading.

5. **LATE BIDS:** Bids received after the scheduled closing time for receipt of bids, as contained in the "Notice to Contractors," will not be considered and will be returned to the bidder.

6. **AWARD OR REJECTION OF BIDS:** The contract will be awarded to the lowest and best qualified responsive bidder complying with these instructions and with the "NOTICE TO CONTRACTORS." The City of Glendale, Arizona, however, reserves the right to accept or reject any or all bids or to waive any or all informalities or irregularities in the bid. Alternates may be accepted depending upon the availability of City funds. Accepted alternates will be considered in determining the lowest responsive and responsible bidder.

7. **BIDDERS INTERESTED IN MORE THAN ONE BID:** No person, firm or corporation shall be allowed to make, file, or be interested in more than one (1) bid for the same work unless alternate bids are called for in the specifications or any addenda. A person, firm, or corporation who has submitted a sub-proposal to a bidder, or who has quoted prices on materials to a bidder is not thereby disqualified from submitting a sub-proposal or quoting prices to other bidders.

8. **CONTRACT AND BONDS:** The form of contract, which the successful bidder as Contractor will be required to execute and the forms of bonds which he shall be required to furnish are included in the contract documents and should be carefully examined by the bidder. The successful bidder shall use the forms provided or such other forms as are acceptable by the City. The Contract and Performance and Labor and Material Payment Bonds will be executed in three (3) original counterparts. All bonds shall be issued by companies licensed with the Arizona Department of Insurance and authorized to issue such bonds in this state. **NO BONDS ISSUED BY INDIVIDUAL SURETIES WILL BE ACCEPTED. The company issuing any bond shall have a rating of not less than A- in the BEST rating available at the time this project was let to bid.**

9. **INSURANCE REQUIREMENTS:** Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described (collectively, "Contractor's Policies"), until each Parties' obligations under this Agreement are completed. Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate. **Contracts in excess of \$250,000 shall require \$2,000,000 single occurrence/\$5,000,000 annual aggregate.**

Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.

This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU

hazards if requested by the City, and a separation of insurance provision.

These limits may be met through a combination of primary and excess liability coverage.

Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and \$1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.

Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.

Equipment Insurance. Contractor must secure, pay for, and maintain all-risk insurance as necessary to protect the City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by Contractor or its Sub-contractors.

10. SUBCONTRACTORS LISTING AND CERTIFICATION OF CONTRACT COMPLIANCE: The contractor will be required to furnish the form of subcontractors listing and certification of contract compliance with the executed contract documents. This information is requested for tracking and insurance purposes only.

11. INTERPRETATION OF PLANS AND DOCUMENTS: If any person contemplating a bid for proposed contract is in doubt as to the true meaning of any part of the plans, specifications, or other proposed contract documents, or finds discrepancies in or omissions from the plans and specifications, he may submit to the Engineering Department, a written request for an interpretation or correction thereof. The person submitting the request will be responsible for its prompt delivery. Questions received less than ninety-six (96) hours before the bid opening time may not be answered. Any interpretation or correction of the documents will be made only by Addendum, duly issued and a copy of such Addendum will be mailed or delivered to each person receiving a set of such documents. The City of Glendale will not be responsible for any other explanations or interpretations of the proposed documents.

12. CHANGES TO PLANS AND DOCUMENTS: Any changes to the plans and documents shall be made only by Addendum. No verbal or other changes to the plans and documents will be valid. A copy of each Addendum will be mailed or delivered as provided in Section 13 below.

13. ADDENDUM: Any addenda will be faxed, mailed or delivered to all who are known by the City to have received a complete set of bid documents, and to offices where bid documents have been filed for review purposes. It is the responsibility of each bidder to ascertain that he has received all addenda issued by telephoning the office identified in the NOTICE TO CONTRACTORS as the location where bid documents are available prior to submitting his bid.

Bidders shall acknowledge all addenda in the appropriate location on the "PROPOSAL" form. Failure to acknowledge receipt of Addenda shall render the bid proposal non-responsive and it will be rejected.

14. ASSIGNMENT OF CONTRACT: No assignment by the Contractor of any contract to be entered into hereunder, or any part thereof, or of funds to be received thereunder by the Contractor, will be recognized by the Owner by the Owner unless such assignment has had prior approval of the Owner, and the Surety has been given due notice of such assignment in writing and has consented

thereto in writing.

15. PLANS AND SPECIFICATIONS TO SUCCESSFUL BIDDER: The successful bidder may obtain five (5) sets of plans and specifications for this project from the City.

16. TIME OF COMPLETION: The Contractor shall commence work under this project on or before the tenth day following receipt of the Notice to Proceed for that project from the City of Glendale and shall fully complete all work under the project within TWO HUNDRED FORTY (240) consecutive calendar days from and including the date of receipt of such Notice to Proceed. Time is of the essence in the completion of all work required under this contract. The Contractor shall, at all times, during the continuance of the contract, prosecute the work with such force and equipment as is sufficient to complete all work within the time specified.

17. CITY OF GLENDALE TRANSACTION PRIVILEGE TAX: The City of Glendale transaction privilege tax shall **NOT** be waived under the provisions of this contract. The current privilege tax rate can be obtained from the City of Glendale Sales Tax and Licenses Department. The Contractor shall be responsible for reporting and payment of all city, county, state or federal taxes.

18. PRE-BID CONFERENCE: A pre-bid conference will be held on APRIL 10, 2012, at 1:00 PM, in the Engineering Department Conference Room, 5850 West Glendale Avenue, Glendale, Arizona. Bidders, contractors, and other interested parties are invited to attend this conference which will be conducted by the Owner and Engineer to answer any questions.

19. ALTERNATES: Alternate proposals will not be considered unless called for in the documents or any addenda thereto. When alternates are requested, all requested alternates or alternate bid items, unless otherwise stated, shall be bid. If no change in the base bid will occur with the alternate, enter "No Change."

20. APPROVAL OF SUBSTITUTIONS: The materials, products and equipment described in the Documents and Addenda establish a standard or required function, dimension, appearance and quality to be met by any proposed substitution. No substitute will be considered, before bid opening, unless written request for approval has been received by the City Engineer at least ten (10) working days prior to the scheduled closing time for receipt of bids. Each such request shall include the name of the material or equipment for which it is to be substituted and a complete description of the proposed substitute including any drawings, cuts, performance and test data and any other information necessary for evaluation of the substitute. Bidder shall not be entitled to approval of a substitute.

If a substitute is approved, the approval shall be set forth in an Addendum. Bidders shall not rely upon approvals made in any other manner.

21. USE OF "EQUALS": When the specifications for materials, articles, products and equipment state "or equal," contractor may bid upon, and use materials, articles, products and equipment which will perform equally the duties imposed by the general design. The City Engineering Department will have the final approval of all materials, articles, products and equipment proposed to be used as an "equal." It shall not be purchased or installed without the prior written approval from the City Engineering Department.

Approvals for "equals," before bid opening, may be requested in writing to the City Engineering Department for approval. Requests must be received at least ten (10) days prior to the date set for opening the Bid Proposals. The request shall state the name of the material, article, product or equipment for which the item is sought to be considered an equal and a complete description of the proposed equal including any drawings, cuts, performance and test data and any other information necessary for approval of the equal. All approvals will be issued in the form of an addendum.

22. EXAMINATION OF CONTRACT DOCUMENTS AND VISIT SITE: Before submitting a Bid Proposal, bidders should carefully examine the Contract Documents, visit the site of the work, fully inform themselves as to all existing conditions and limitations. No consideration will be granted for any alleged misunderstanding of the material, articles or piece of equipment to be furnished or work to be done. It is understood that the tender of the Bid Proposal carries with it the agreement to all items and conditions referred to herein or indicated in the Contract Documents.

23. BIDDERS IN DEFAULT: No bid will be awarded to any person, firm or corporation that is not authorized by the Arizona Corporation Commission to do business in the State of Arizona, in arrears or is in default to the City of Glendale upon any debt or contract, or that is a defaulter as surety or otherwise upon any obligation to the City of Glendale, or has failed to faithfully perform any previous contract with the City of Glendale.

\*\*\*END OF INFORMATION FOR BIDDERS\*\*\*

PROPOSAL

Place Gilbert Arizona

Date April 26, 2012

Proposal of Hunter Contracting Co, a Corporation organized and existing under the laws of the State of Arizona. a partnership consisting of --N/A--; or an individual trading as --N/A--.

TO THE HONORABLE MAYOR AND COUNCIL  
CITY OF GLENDALE  
GLENDALE, ARIZONA

Gentlemen:

The undersigned hereby proposes and agrees to furnish any and all required labor, materials, construction equipment, transportation and services for the construction of: **PROJECT 091030 - ARROWHEAD RANCH WATER RECLAMATION FACILITY AERATION BLOWER IMPROVEMENTS PROJECT**, in strict conformity with the plans and specifications for the following unit prices:

(Extension of these unit prices on the basis of estimated quantities and the totaling of these extensions are for the purpose of comparing bids only. The mathematics of such extensions and totaling will be checked and corrected by the Engineering Department, before evaluating the bids, and the lowest of such corrected and checked totals will determine the lowest bids.)

**City of Glendale**  
**Arrowhead Ranch WRF Aeration Blower Improvements Project**  
**Project No. 091030**

**BID SCHEDULE**

Bid Item	Description	Quantity	Unit	Unit Cost	Total Cost
1	Owners contingency for Siemens Blower LCP Upgrades and Master Control Panel (Siemens Energy Inc., O&G Division, Turbo Machinery Solutions Group)	1.00	LS	\$140,000	\$140,000
2	Owners contingency for Blower Improvements Programming Services (Brown and Caldwell Engineers)	1.00	LS	\$40,000	\$40,000
3	Owners contingency for Buried Fiber Optic Line from Blower Building to Administration Building	1.00	LS	\$30,000	\$30,000
4	Owner's allowance for construction contingency	1.00	LS	\$51,000	\$51,000
5	Contractor install blower improvements (New master control panel, blower discharge aeration piping modifications, and new electrical, instrumentation and controls etc.)	1.00	LS	\$ 117,406.00	\$ 117,406.00
6	Contractor Overhead and Profit for owners contingency bid items 1 and 2	1.00	LS	\$ 30,135.00	\$ 30,135.00
<b>TOTAL BASE BID</b>					<b>\$ 408,541.00</b>

The undersigned hereby declares that he has visited the site(s) and has carefully examined the contract documents relating to the work covered by the above bid or bids.

Upon receipt of notice of the acceptance of this bid, we will execute the formal contract attached within ten (10) days, and will deliver a one hundred percent (100%) Performance Bond for the faithful performance of this Contract, together with a one hundred percent (100%) Payment Bond and Certificate of Insurance.

The bid security attached, with endorsement, in the sum of ten percent (10%) of the total bid, is to become the property of the City of Glendale, Arizona, in the event the Contract and Bonds are not executed within the time set forth, as liquidated damages for the delay and additional work caused thereby.

The undersigned has checked carefully all the above figures and understands that the City of Glendale, Arizona, will not be responsible for any errors or omissions on the part of the undersigned in making up this bid.

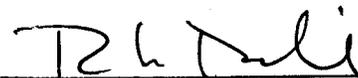
The undersigned understands that the Mayor and Council of the City of Glendale, Arizona, reserves the right to reject any or all bids or to waive any informalities or irregularities in the bid.

Respectfully submitted,

Arizona Contractor's  
Classification and  
License No.

ROC070961 A

Hunter Contracting Co.  
Contractor

By   
Rob Padilla, Vice President

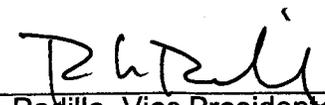
701 N Cooper Rd.  
Gilbert AZ 85233  
(Complete business address)

Telephone Number: 480-892-0521  
Fax Number 480-892-4932

Bidder shall signify receipt of all Addenda here (if any):

Addendum No. 1 4/19/2012  
\_\_\_\_\_

Failure to acknowledge receipt of all Addenda shall render the bid proposal non-responsive and will be rejected.

Acknowledged by   
Rob Padilla, Vice President

# CITY CLERK ORIGINAL

C-8071  
06/12/2012

## CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Hunter Contracting Co., an Arizona corporation ("Contractor") as of the 12th day of June, 2012.

### RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in the **Notice to Contractors** and the attached **Exhibit A** ("Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project, the plans and specifications, the **Information for Bidders**, and the **Maricopa Association of Governments ("MAG") General and Supplemental Conditions and Provisions**;
- C. City and Contractor desire to memorialize their agreement with this document.

### AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

#### 1. Project.

- 1.1 **Scope.** Contractor will provide all services and material necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors, providers or consultants retained by City.
- 1.2 **Documents.** The following documents are, by this reference, entirely incorporated into this Agreement and attached Exhibits as though fully set forth herein:
  - (A) Notice to Contractors;
  - (B) Information for Bidders;
  - (C) MAG General Conditions, Supplemental General Conditions, Special and Technical Provisions;
  - (D) Proposal;
  - (E) Bid Bond;
  - (F) Payment Bond;
  - (G) Performance Bond;
  - (H) Certificate of Insurance;
  - (I) Appendix; and
  - (J) Plans and Addenda thereto.

Should a conflict exist between this Agreement (and its attachments), and any of the incorporated documents as listed above, the provisions of this Agreement shall govern.

#### 1.3 Project Team.

- (A) **Project Manager.** Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, to complete the project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement.

(B) Project Team.

- (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
- (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.

(C) Sub-contractors.

- (1) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Sub-contractor's services.
- (3) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The Project will be undertaken in a manner that ensures it is completed in a timely and efficient manner. If not otherwise stated in **Exhibit A**, the Project shall be completed by no later than within two hundred forty (240) consecutive calendar days from and including the date of receipt of the Notice to Proceed.

3. **Contractor's Work.**

3.1 **Standard.** Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services and materials for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 **Licensing.** Contractor warrants that:

- (A) Contractor and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- (B) Neither Contractor nor any Sub-contractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
  - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
  - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default of this Agreement.

3.3 **Compliance.** Services and materials will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, or other standards and criteria designated by City.

3.4 **Coordination; Interaction.**

- (A) If the City determines that the Project requires the coordination of professional services or other providers, Contractor will work in close consultation with City to proactively interact with any other contractors retained by City on the Project ("Coordinating Entities").
- (B) Subject to any limitations expressly stated in the budget, Contractor will meet to review the Project, schedules, budget, and in-progress work with Coordinating Entities and the City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- (C) If the Project does not involve Coordinating Entities, Contractor will proactively interact with

any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

- 3.5 **Hazardous Substances.** Contractor is responsible for the appropriate handling, disposal of, and if necessary, any remediation and all losses and damages to the City, associated with the use or release of hazardous substances by Contractor in connection with completion of the Project.
- 3.6 **Warranties.** At any time within two years after completion of the Project, Contractor must, at Contractor's sole expense and within 20 days of written notice from the City, uncover, correct and remedy all defects in Contractor's work. City will accept a manufacturer's warranty on approved equipment as satisfaction of the Contractor's warranty under this subsection.
- 3.7. **Bonds.** Upon execution of this Agreement, and if applicable, Contractor must furnish Payment and Performance bonds as required under A.R.S. § 34-608.

4. **Compensation for the Project.**

- 4.1 **Compensation.** Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed \$408,541.00, as specifically detailed in the Contractor's bid and set forth in Exhibit B ("Compensation").
- 4.2 **Change in Scope of Project.** The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified by the City.
- (A) Adjustments to the Scope or Compensation require a written amendment to this Agreement and may require City Council approval.
- (B) Additional services which are outside the scope of the Project and not contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. **Billings and Payment.**

5.1 **Applications.**

- (A) The Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- (B) The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 **Payment.**

- (A) After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- (B) Payment may be subject to or conditioned upon City's receipt of:
- (1) Completed work generated by Contractor and its Sub-contractors; and
- (2) Unconditional waivers and releases on final payment from Sub-contractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 **Review and Withholding.** City's Project Manager will timely review and certify Payment Applications.

- (A) If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- (B) City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

- (C) Contractor will provide, by separate cover, and concurrent with the execution of this Agreement, all required financial information to the City, including City of Glendale Transaction Privilege License and Federal Taxpayer identification numbers.
- (D) City will temporarily withhold Compensation amounts as required by A.R.S. 34-221(C).

**6. Termination.**

**6.1 For Convenience.** City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- (A) Contractor will be equitably compensated any services and materials furnished prior to receipt of the termination notice and for reasonable costs incurred.
- (B) Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with Project closeout and delivery of the required items to the City.

**6.2 For Cause.** City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- (A) Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages.
- (B) If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

**7. Insurance.**

**7.1 Requirements.** Contractor must obtain and maintain the following insurance ("Required Insurance"):

- (A) Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively, "Contractor's Policies"), until each Parties' obligations under this Agreement are completed.
- (B) General Liability.
  - (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
  - (2) Sub-contractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
  - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU hazards if requested by the City, and a separation of insurance provision.
  - (4) These limits may be met through a combination of primary and excess liability coverage.
- (C) Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and 1,000,000 per accident for Sub-contractors and covering owned, non-owned and hired automobiles.
- (D) Workers' Compensation and Employer's Liability. A workers' compensation and employer's

liability policy providing at least the minimum benefits required by Arizona law.

- (E) Equipment Insurance. Contractor must secure, pay for, and maintain all-risk insurance as necessary to protect the City against loss of owned, non-owned, rented or leased capital equipment and tools, equipment and scaffolding, staging, towers and forms owned or rented by Contractor or its Sub-contractors.
- (F) Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
  - (1) Cancellation or termination of Contractor or Sub-contractor's Policies;
  - (2) Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
  - (3) Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.
- (G) Certificates of Insurance.
  - (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Sub-contractor's Policies, which will confirm the existence or issuance of Contractor and Sub-contractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Sub-contractor's Policies in accordance with the provisions of this section.
  - (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Sub-contractor's Policies, or to examine Contractor and Sub-contractor's Policies, or to inform Contractor or Sub-contractor in the event that any coverage does not comply with the requirements of this section.
  - (3) Contractor's failure to secure and maintain Contractor Policies and to assure Sub-contractor policies as required will constitute a material default under this Agreement.
- (H) Other Contractors or Vendors.
  - (1) Other contractors or vendors that may be contracted by Contractor with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular agreement.
  - (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- (I) Policies. Except with respect to workers' compensation and employer's liability coverages, the City must be named and properly endorsed as additional insureds on all liability policies required by this section.
  - (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
  - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and acceptable to all parties.

**7.2 Sub-contractors.**

- (A) Contractor must also cause its Sub-contractors to obtain and maintain the Required Insurance.
- (B) City may consider waiving these insurance requirements for a specific Sub-contractor if City is satisfied the amounts required are not commercially available to the Sub-contractor and the insurance the Sub-contractor does have is appropriate for the Sub-contractor's work under this

Agreement.

- (C) Contractor and Sub-contractors must provide to the City proof of Required Insurance whenever requested.

**7.3 Indemnification.**

- (A) To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.
- (B) This indemnity and hold harmless policy applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- (C) Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

- 7.4 **Waiver of Subrogation.** Contractor waives, and will require any Subcontractor to waive, all rights of subrogation against the City to the extent of all losses or damages covered by any policy of insurance.

**8. Immigration Law Compliance.**

- 8.1 Contractor, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 8.2 Any breach of warranty under subsection 8.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 8.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 8.1 above.
- 8.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 8.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section 8.
- 8.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 8.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.

8.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

9. **Conflict.** Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

10. **Prohibitions.** Contractor certifies under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.*, that it does not have, and during the term of this Agreement will not have "scrutinized" business operations, as defined in the preceding statutes, in the countries of Sudan or Iran.

11. **Non-Discrimination Policies.** Contractor must not discriminate against any employee or applicant for employment on the basis of race, religion, color sex or national origin. Contractor must develop, implement and maintain non-discrimination policies and post the policies in conspicuous places visible to employees and applicants for employment. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section.

12. **Notices.**

12.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:

- (A) The Notice is in writing, and
- (B) Delivered in person or by private express overnight delivery service (delivery charges prepaid), certified or registered mail (return receipt requested).
- (C) Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
  - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier on or before 5:00 p.m.; or
  - (2) As of the next business day after receipt, if received after 5:00 p.m.
- (D) The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- (E) Digitalized signatures and copies of signatures will have the same effect as original signatures.

12.2 **Representatives.**

- (A) Contractor. Contractor's representative ("Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Hunter Contracting Co.  
Attn: Rob Padilla  
701 N. Cooper Road  
Gilbert, AZ 85233

- (B) City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale  
Attn: Tom Kaczmarowski  
5850 West Glendale Avenue  
Glendale, Arizona 85301

With required copies to:

City of Glendale  
City Manager  
5850 West Glendale Avenue  
Glendale, Arizona 85301

City of Glendale  
City Attorney  
5850 West Glendale Avenue  
Glendale, Arizona 85301

(C) Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be considered to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

(D) **Changes.** Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

13. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

14. **Entire Agreement; Survival; Counterparts; Signatures.**

14.1 **Integration.** This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- (A) Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- (B) Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- (C) Any solicitation, addendums and responses submitted by the Contractor are incorporated fully into this Agreement as Exhibit A. Any inconsistency between Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

14.2 **Interpretation.**

- (A) The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- (B) The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- (C) The Agreement will be interpreted in accordance with the laws of the State of Arizona.

14.3 **Survival.** Except as specifically provided otherwise in this Agreement each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

14.4 **Amendment.** No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval.

14.5 **Remedies.** All rights and remedies provided in this Agreement are cumulative and the exercise of any

one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

**14.6 Severability.** If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform to applicable law.

**14.7 Counterparts.** This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

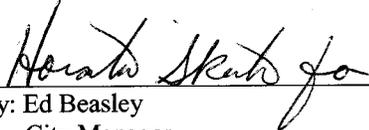
**15. Dispute Resolution.** Each claim, controversy and dispute ("Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

**16. Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Compensation
Exhibit C	Dispute Resolution

The parties enter into this Agreement as of the date shown above.

City of Glendale,  
an Arizona municipal corporation

  
By: Ed Beasley  
Its: City Manager

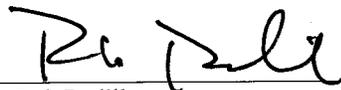
ATTEST:

  
City Clerk (SEAL)

APPROVED AS TO FORM:

  
City Attorney

Hunter Contracting Co.  
an Arizona corporation

  
By: Rob Padilla  
Its: Vice President

WOMEN-OWNED/MINORITY BUSINESS [ ] YES [ ] NO  
CITY OF GLENDALE TRANSACTION PRIVILEGE TAX NO. \_\_\_\_\_  
FEDERAL TAXPAYER IDENTIFICATION NO. \_\_\_\_\_

**EXHIBIT A  
CONSTRUCTION AGREEMENT**

**PROJECT**

Project consists of upgrading controls and piping associated with the existing aeration blower system. This will generally consist of modification of three local control panels with new PLC and HMI, installing new master control panel and integration with existing plant SCADA system.

**EXHIBIT B  
CONSTRUCTION AGREEMENT**

**COMPENSATION**

**METHOD AND AMOUNT OF COMPENSATION**

By bid, including all services, materials and costs.

**NOT-TO-EXCEED AMOUNT**

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$408,541.

**DETAILED PROJECT COMPENSATION**

Per Page 8 of the Bid Schedule.

**EXHIBIT C  
CONSTRUCTION AGREEMENT**

**DISPUTE RESOLUTION**

**1. Disputes.**

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
- (A) The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
- (B) The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
- (C) The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

**2. Arbitration.**

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
- (A) The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
- (B) The arbitrator selected must be an attorney with at least 15 years experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.

- 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.
3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.
4. **Exceptions.**
  - 4.1 Third Party Claims. City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.
  - 4.2 Liens. City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
  - 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.

**Contract 8071 contains over  
300 pages of plans and  
specifications which are on  
file and can be viewed in the  
Office of the City Clerk  
5850 West Glendale Avenue  
Glendale, AZ 85301**