

# CITY CLERK ORIGINAL

C-8596  
09/12/2013

## EQUIPMENT SERVICES AGREEMENT FORKLIFT MAINTENANCE (RECYCLING FACILITY)

This Equipment Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and Handling Systems, Inc., a Arizona corporation, authorized to do business in the State of Arizona, ("Vendor") as of the 12th day of September, 2013 ("Effective Date").

### 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 Exhibit A, Solicitation No. 14-3 (the "Project");
- B. City desires to retain Vendor to perform those specific duties and produce the specific work as set forth in the attached Exhibit B, Project Scope of Work ("Scope");
- C. City and Vendor 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 Vendor agree as follows:

- 1. Key Personnel; Other Vendors and Contractors.
  - 1.1 Equipment Services. Vendor will provide all Services necessary to assure the Project is completed timely and efficiently consistent within 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 vendors or contractors, retained by City.
  - 1.2 Project Team.
    - a. Project Manager.
      - (1) Vendor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, complete the Project and handle all aspects of the Project such that the work produced by Vendor is consistent with applicable standards as detailed in this Agreement; and
      - (2) The City must approve the designated Project Manager.
    - b. Project Team.
      - (1) The Project Manager and all other employees assigned to the Project by Vendor will comprise the "Project Team."
      - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Vendor.
    - c. Discharge, Reassign, Replacement.
      - (1) Vendor acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in Exhibit B.
      - (2) Vendor will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those

duties, or if the acts or omissions of that person are detrimental to the development of the Project.

- d. Subcontractors. Vendor shall not engage any subcontractor for the work or services to be performed under this Agreement without notice to, and the consent of, City.
2. Schedule. The Services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.
3. Vendor's Work.
  - 3.1 Standard. Vendor must perform Services in accordance with the standards of due diligence, care, and quality prevailing among vendors having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.
  - 3.2 Licensing. Vendor warrants that:
    - a. Vendor currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
    - b. Neither Vendor nor any subcontractor 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 Vendor's contracting ability.
      - (2) Vendor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Vendor to notify City as required will constitute a material default under the Agreement.
  - 3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county, and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.
  - 3.4 Coordination; Interaction; Warranty.
    - a. For projects that the City believes requires the coordination of various equipment services, Vendor will work in close consultation with City to proactively interact with any other vendors retained by City on the Project.
    - b. Subject to any limitations expressly stated in the Project Budget, Vendor will meet to review the Project, schedule, budget, and in-progress work with City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
    - c. Vendor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.
    - d. At a minimum, Vendor must warrant the Services performed for products and workmanship as set forth in the attached Exhibits and City's Solicitation No. 14-3.
4. Compensation for the Project.
  - 4.1 Compensation. Vendor's compensation for the Project, including those furnished by its subcontractors will not exceed \$9,800 annually, as specifically detailed in Exhibit C ("Compensation").
  - 4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated Scope as outlined in the Project is significantly modified.
    - a. Adjustments to 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 contained in this Agreement may not be performed by the Vendor without prior written authorization from the City.
- c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.

4.3 Expenses. City will reimburse Vendor for certain out-of-pocket expenses necessarily incurred by Vendor in connection with this Agreement, without mark-up (the "Reimbursable Expenses"), including, but not limited to, document reproduction, materials for book preparation, postage, courier and overnight delivery costs incurred with Federal Express or similar carriers, travel and car mileage, subject to the following:

- a. Mileage, airfare, lodging and other travel expenses will be reimbursable only to the extent these would, if incurred, be reimbursed to City of Glendale personnel under its policies and procedures for business travel expense reimbursement made available to Vendor for review prior to the Agreement's execution, and which policies and procedures will be furnished to Vendor;
- b. The Reimbursable Expenses in this section are approved in advance by City in writing; and
- c. The total of all Reimbursable Expenses paid to Vendor in connection with this Agreement will not exceed the "not to exceed" amount identified for Compensation.

## 5. Billings and Payment.

### 5.1 Applications.

- a. Vendor 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 Vendor and its subcontractors; and
  - (2) Unconditional waivers and releases on final payment from all subcontractors 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.

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. Vendor will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Vendor 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 Vendor fails to cure any material breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Vendor 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 Vendor for Services furnished, City will pay the amount due to Vendor, less City's damages, in accordance with the provisions of Sec. 5.
- b. If City's direct damages exceed amounts otherwise due to Vendor, Vendor must pay the difference to City; however, Vendor will not, under any circumstances, be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is lesser.

7. Conflict. Vendor 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.

8. Insurance.

8.1 Requirements. Vendor must obtain and maintain the following insurance ("Required Insurance"):

- a. Vendor and subcontractors. Vendor, and each subcontractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Vendor's Policies"), until each Party's obligations under this Agreement are completed.
- b. *General Liability.*
  - (1) Vendor 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 limit.
  - (2) Subcontractors 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, 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 Vendor and \$1,000,000 per accident for subcontractors and covering owned, non-owned and hired automobiles.
- d. Workers' Compensation and Employer's Liability. Vendor must also maintain a workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- e. Notice of Changes. To the extent permitted by Arizona law, Vendor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
  - (1) Cancellation or termination of Vendor's Policies;
  - (2) Reduction of the coverage limits of any of Vendor's Policies; and
  - (3) Any other material modification of Vendor's Policies related to this Agreement.
- f. Certificates of Insurance.
  - (1) Within 10 business days after the execution of the Agreement, Vendor must deliver to City Representative certificates of insurance for each of Vendor's Policies, which will confirm the existence or issuance of Vendor's Policies in accordance with the provisions of this section, and copies of the endorsements of Vendor'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 Vendor's Policies, or to examine Vendor's Policies, or to inform Vendor or subcontractor, in the event that any coverage does not comply with the requirements of this section.
  - (3) Vendor's failure to secure and maintain Vendor's Policies and to assure Vendor's Policies as required will constitute a material default under the Agreement.
- g. Other Contractors or Vendors.
  - (1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.
  - (2) This insurance coverage must comply with the requirements set forth above for Vendor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- h. Policies. Except with respect to workers' compensation coverage, 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 reasonably acceptable to all parties.

8.2 Subcontractors.

- a. Vendor must also cause its subcontractors to obtain and maintain the Required Insurance.
- b. City may consider waiving these insurance requirements for a specific subcontractor if City is satisfied the amounts required are not commercially available to the subcontractor and the insurance the subcontractor does have is appropriate for the subcontractor's work under this Agreement.
- c. Vendor must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

- a. To the fullest extent permitted by law, Vendor 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 Vendor) and that arises out of or results from the breach of this Agreement by the Vendor or by the Vendor's negligent actions, errors or omissions (including any subcontractor or other person or firm employed by Vendor), whether sustained before or after completion of the Project; provided, however, Vendor will not be required to indemnify City for the City's negligent actions, errors or omissions (including any contractor or other party engaged by City).
- b. This indemnity and hold harmless provision 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, Vendor will be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Vendor or of any person or entity for whom Vendor is responsible.
- c. Vendor 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.

9. Immigration Law Compliance.

- 9.1 Vendor, and on behalf of 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.
- 9.2 Any breach of warranty under this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Vendor, subcontractor, or employee who performs work under this Agreement to ensure that the Vendor, subcontractor, or any employee, is compliant with the warranty under this section.
- 9.4 City may conduct random inspections, and upon request of City, Vendor will provide copies of papers and records of Vendor demonstrating continued compliance with the warranty under this section. Vendor 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.

- 9.5 Vendor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Vendor and expressly accrue those obligations directly to the benefit of the City. Vendor 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.
- 9.6 Vendor'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.
- 9.7 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.
10. Prohibitions. Vendor 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 statutory sections, in the countries of Sudan or Iran.
11. Notices.
- 11.1 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 overnight courier 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 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 service; 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.
- 11.2 Representatives.
- a. Vendor. Vendor's representative (the "Vendor's Representative") authorized to act on Vendor's behalf with respect to the Project, and his or her address for Notice delivery is:

Handling Systems, Inc.  
Attn: Stephen A. Mackey  
2659 E. Magnolia St.  
Phoenix, Arizona 85034-6909
  - 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: Jacob Romero, Sanitation Supervisor – MRF Operations  
11480 West Glendale Avenue  
Glendale, Arizona 85301

With required copy to:

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

City Attorney  
City of Glendale  
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 deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
  - (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Vendor identifying the designee(s) and their respective addresses for notices.
- d. Changes. Vendor 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.

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

13. Entire Agreement; Survival; Counterparts; Signatures.

13.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Vendor 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. Inconsistencies between the solicitation, any addenda attached to the solicitation, the response or any excerpts attached as Exhibit A, and this Agreement, will be resolved by the terms and conditions stated in this Agreement.

13.2 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.

13.3 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.

- 13.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.
- 13.5 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
- 13.6 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 with applicable law.
- 13.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.
14. Term. The term of this Agreement commences upon the effective date and continues for a one (1)-year initial period. The City may, at its sole option, and upon Vendor's approval, extend this Agreement for four (4) additional one (1)-year terms, renewable on an annual basis. There are no automatic renewals of this Agreement
15. Dispute Resolution. Each claim, controversy and dispute (each a "Dispute") between Vendor and City will be resolved in accordance with Exhibit E.
16. Force Majeure. If performance of a party's obligations under this Agreement are delayed due to fire, explosion, flood, storm, lightning, earthquake, acts of God, acts of war or terrorism, strike, lockout, labor disturbance, transport and handling accidents, manufacturing accidents, vandalism, lack of transportation, shortages of materials or fuel or labor, or any other circumstances beyond the reasonable control of such party (any such event being referred to herein as a "Force Majeure Event"), the obligations of such party shall be suspended for so long as its performance is made impracticable by such Force Majeure Event.
17. 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	Scope of Work
Exhibit C	Compensation
Exhibit D	Dispute Resolution

(Signatures appear on the following page.)

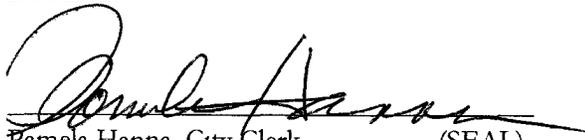
The parties enter into this Agreement effective as of the date shown above.

CITY OF GLENDALE,  
an Arizona municipal corporation



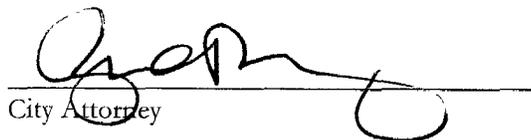
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Brenda S. Fischer, City Manager

ATTEST:



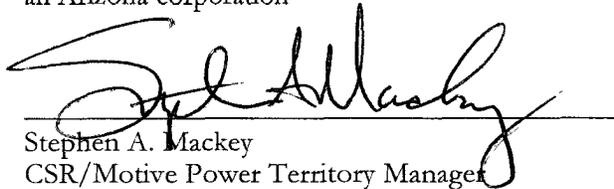
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Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:



\_\_\_\_\_  
City Attorney

HANDLING SYSTEMS, INC.  
an Arizona corporation



\_\_\_\_\_  
Stephen A. Mackey  
CSR/Motive Power Territory Manager

EXHIBIT A  
FORKLIFT MAINTENANCE  
PROJECT

The vendor will provide preventative maintenance and repair service on an "as-required" basis, pursuant to Solicitation 14-03.

EXHIBIT B  
FORKLIFT MAINTENANCE  
SCOPE OF WORK

(Cover Page)

See attached.

**Solicitation Number: RFQ 14-03**  
**FORKLIFT MAINTENANCE FOR RECYCLING FACILITY**

**1.0 SPECIFICATIONS**

**1.1 INTRODUCTION**

1.1.1 The City of Glendale Materials Recovery Facility (MRF) requests quotations from qualified firms or individuals for industrial forklift preventative maintenance and repair service on an "as required" basis.

1.1.2 The resulting agreement shall require the contractor to furnish all labor, materials, equipment, tools, supplies, supervisors, and transportation necessary to complete the work in accordance with the specifications.

1.1.3 Contractor shall identify all costs associated with the performance of preventative maintenance of outside lift equipment. Pricing should incorporate all charges including travel time, actual service time, miscellaneous fees, etc.

1.1.4 Service Location: 11480 W. Glendale Avenue, Glendale, Arizona 85307.

**1.2 GENERAL SPECIFICATIONS**

1.2.1 Preventative maintenance shall incorporate visual inspection of and the physical operation of all equipment in accordance with safety standards as established for industry forklifts.

1.2.2 Preventative maintenance/calibration/inspection shall be performed on all units on a quarterly basis, although services that are more frequent may be requested.

1.2.3 All environmental fees shall be included in the preventative maintenance costs.

1.2.4 The Contractor shall be responsible for all permits, licenses and taxes, if applicable, at no additional cost to the City.

1.2.5 Contractor shall complete all work to the satisfaction of the Site Representative, or designee. In the event that the work performance of the Contractor is not satisfactory, the Contractor shall be notified and given 24 hours to remedy the defective work. Labor for all jobs requiring any rework shall be at no cost to the City. If the Contractor fails to meet this requirement, the City reserves the right to obtain services from another source and deduct the cost from any monies due the contractor.

**Solicitation Number: RFQ 14-03**  
**FORKLIFT MAINTENANCE FOR RECYCLING FACILITY**

**1.2.6** The Contractor shall keep the premises free from accumulation of waste materials or rubbish caused by his operations at all times. Upon completion of the work, the Contractor shall remove all waste materials and rubbish from and around the facility, as well as all tool construction equipment, machinery and surplus materials, and shall clean all building surfaces and leave that area "broom clean."

**1.3 EQUIPMENT**

**1.3.1** The MRF currently has the following LPG forklifts in service at the facility.

Qty: 2	Doosan G30P-5
Qty: 1	Toyota 8FGU30
Qty: 1	Nissan PL50

**1.4 PREVENTATIVE MAINTENANCE**

**1.4.1** Preventative maintenance shall be performed on a quarterly basis and will consist of, but are not limited to:

- 1.4.1.1 Standard forklift equipment inspection
- 1.4.1.2 Fluid checks, i.e. oil, water (batteries and cooling system), hydraulic, brake system
- 1.4.1.3 Lubrication, i.e. change engine oil and filter, grease unit
- 1.4.1.4 Replace air filter and crankcase breather filters
- 1.4.1.5 Critical points of connection for major hydraulic lines and electrical circuits
- 1.4.1.6 Adjustments, calibrations, tightening, etc.

**1.4.2** Labor charges for Preventative Maintenance:

1.4.2.1 The Contractor shall invoice at a flat rate charge for labor on each of the forklifts and shall include all labor, supervision, equipment, travel, incidentals and related items necessary to complete the preventative maintenance of the forklifts indicated in this solicitation.

**Solicitation Number: RFQ 14-03**  
**FORKLIFT MAINTENANCE FOR RECYCLING FACILITY**

1.4.2.2 Contractors shall be required to complete work during normal business hours between 7:00 a.m. and 4:00 p.m., Monday through Friday, except City holidays.

**1.5 LABOR CHARGES FOR MAINTENANCE AND REPAIRS**

- 1.5.1 Contractors shall be required to complete work during normal business hours between 7:30 a.m. and 4:00 p.m., Monday through Friday, except City holidays. On occasion, Contractor may be required to perform work during non-working hours or on weekends or holidays. All repairs including after hours work must be approved by the Site Representative, or designee. The Contractor shall invoice at the rate of time-and-a-half based on the regular hourly labor rates cited on the Price Page, Section 4.0.
- 1.5.2 Hourly charges for labor shall include all labor, supervision, equipment, travel, incidentals and related items necessary to complete the repairs of forklifts indicated in this solicitation.
- 1.5.3 Offerors shall submit an explanation of what constitutes a trip or service charge. For example, is a trip charge (mileage, etc.) charged each time a technician makes a visit to the work site? Or when parts are not on the service truck and the technician must return to the shop for such, is there an additional trip charge?

EXHIBIT C  
FORKLIFT MAINTENANCE  
COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Not to exceed \$9,800 annually.

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Vendor for full completion of all work required by the Project during the entire term (which includes any renewals) of the Project must not exceed \$49,000.

DETAILED PROJECT COMPENSATION

Per Solicitation 14-03, Vendor is to provide forklift maintenance for the Recycling Facility.  
(See attached.)

**Solicitation Number: RFQ 14-03**  
**FORKLIFT MAINTENANCE FOR RECYCLING FACILITY**

**4.0 PRICING PAGE**

**4.1 PRICE**

The quantities referenced in this solicitation are an annual estimate ONLY and are to be used for evaluation purposes only. No commitment of any quantity is made during this contract; purchases are on an as-needed, if needed basis.

The not to exceed amount shall include all fees and costs associated with the purchase and shipment of the equipment. Tax shall not be included.

**4.2 PRICING STRUCTURE**

Preventative Maintenance Flat Rate Labor charge      \$ 90.00 per forklift  
Repair Labor charge      \$ 90.00 per hour  
Material markup for contractor's cost for repair work      1.45 %

NOTE: ALL RATES INCLUDE supervision, equipment and tools required.

Trip Charge    \$ 85.00

Explain what constitutes a trip or service charge. For example, is a trip charge (mileage, etc.) charged each time a technician makes a visit to the work site? Or when parts are not on the service truck and the technician must return to the shop for such, is there an additional trip charge?

A trip charge is added to every breakdown service call work order. It is not charged on PM Services. Travel for parts will be invoiced at \$90.00 per hour labor rate

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Additional Trip Charge (if applicable)      \$ \_\_\_\_\_

COMPANY NAME: Handling Systems, Inc.

EXHIBIT D  
FORKLIFT MAINTENANCE  
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 five 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 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 will 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, Vendor 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 Vendor in accordance with this Agreement.
  4. Exceptions.
    - 4.1 Third Party Claims. City and Vendor 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 Vendor.
    - 4.2 Liens. City or Vendor 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.