

**Inventory Service Agreement for:  
City of Glendale, WSD  
Thomas Relucio  
Agreement Date: 12/30/2014**

**Overview**

WIS International (WIS) has been continuously delivering accurate results to many of the biggest names in retailing and manufacturing for over 50 years. With more than 200,000 physical inventory counts taken every year in 8 countries across 4 continents, WIS International is one of the industry's largest and most trusted suppliers of Inventory Counting Services worldwide. With ever-evolving, industry-leading technology and a dedicated, highly-trained staff, WIS International provides the highest levels of service in the industry.

Our software and hardware are custom-designed and proprietary, making use of the newest technology and supported by our in-house technology and information systems team. Reporting is customized based on the needs of each client, and we can assist both corporate and store management in improving operating results.

WIS is excited with the opportunity of becoming an integral part of your inventory program. You can be confident of receiving a professional service, accurate counts, prompt reports, attention to detail, and superior customer service.

It is our intention to replicate our high standards for the City of Glendale, WSD. Our workforce is comprised of full-time available employees. This provides us with experience and tenured workforce that understands how to perform accurate and timely inventory counts. Throughout the set up process, it is our approach to keep everything as simple for our customers as possible. We will adapt our systems to fit in with your current methods and IT requirements. With our significant experience from working with the world's leading retailers we are able to develop custom solutions to meet almost any requirement.

The process will be managed by WIS requiring little involvement from you except at key stages to validate all is tested properly in advance of our first inventory. The key stages are as follows:

- Review the count process including reports and data requirements.
- WIS instructions are written and shared with the customer for final review.

**WIS Count Specifics**

- WIS will schedule the inventory on agreed date and time.
- A fully trained WIS Crew Manager will supervise all counts to ensure accuracy and a smooth execution of each inventory.
- WIS will supply all equipment needed to conduct each inventory
- WIS will send approximately six associates to audit WSD's on hand count. This will be provided back to WSD on count sheets provided to WIS at the time of inventory.



### Customer Responsibilities

- Ensure you have sufficient number of store personnel to assist WIS with any questions and to take part in the audit process.
- Prepare the store for counting as agreed to in our walk through.
- Perform auditing during the inventory to ensure confidence in the validity of the count.

### Fees

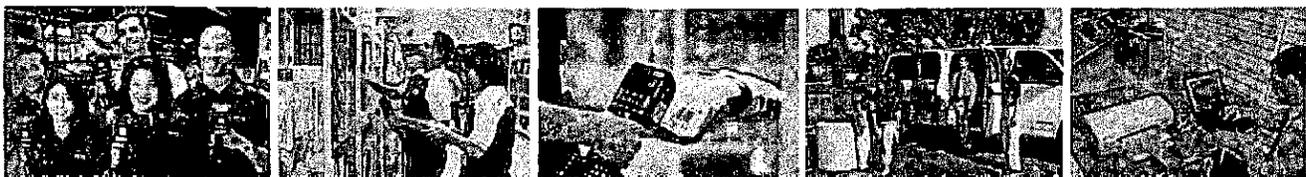
- Pricing is valid for 30 day period from the date of submission of this agreement for approval by City of Glendale, WSD. **This is a flat fee inventory of \$2000.**
- The pricing is based on the following scheduling parameters: Inventory Date of 2/13/15 @ 1pm. Significant changes to these scheduling parameters could result in changes to the proposed fee.
- Standard payment terms are 15 days from receipt of invoice.

### Late Payment

- All bills for services rendered are due and payable within 15 days after receipt of invoice. A finance charge of 1.5% per month on the unpaid, undisputed balances applies for delinquent payments beyond 30 days past invoice due date.

Regards,

Jeff Hunter  
Arizona District Manager  
WIS International  
Direct: 316-259-0978



**General Terms**

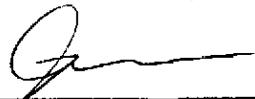
1. The term of this agreement shall commence on the later execution date below, and shall continue for a period of one year.
2. WIS shall perform all services described above utilizing standard procedures as modified by Client's instructions. WIS reserves the right to adjust the fees associated with the services and Client shall approve such adjustments in writing.
3. The inventory value of merchandise marked, priced, or coded is the responsibility of Client. WIS works with each client to develop and execute an audit process that ensures accuracy of inventory counts. Should Client raise concerns relative to the accuracy of the services, Client may request a re-take inventory to be conducted to validate the accuracy of the initial count. Should the re-take results confirm that substantial inaccuracies occurred in the original inventory Client will not be charged for the original inventory count. Should the re-take validate the original inventory count, both inventory counts will be billed at the existing fee. The liability of WIS for any errors whatsoever including, but not limited to, the inventory report shall be limited to an amount not greater than the fee billed by WIS International for the particular inventory in which the errors occur.
4. Should the Client desire to engage WIS in specialized services or other projects not contemplated in this agreement, the parties may modify these terms through addendum or by attaching a Statement of Work executed by authorized agents of both parties.
5. Client representative acknowledges that they are authorized to enter into a binding agreement on behalf of the company. By signing the agreement client agrees to the terms of this Agreement.

**Accepted By:**

**Client:**

THOMAS REWLO  
\_\_\_\_\_  
PRINT NAME

2/10/15  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
SIGN NAME  
Authorized Signing Officer

**WIS International:**

TOM COMPOGLIANS  
\_\_\_\_\_  
PRINT NAME

2/6/15  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
SIGN NAME  
Authorized Signing Officer



**ADDENDUM TO INVENTORY SERVICE AGREEMENT BETWEEN  
WIS INTERNATIONAL  
AND  
THE CITY OF GLENDALE, ARIZONA.**

This Addendum to the existing Inventory Service Agreement between the City of Glendale ("City") and WIS International ("WIS") is entered into this 27<sup>th</sup> day of January, 2015.

WIS further agree as follows:

**1. Immigration Law Compliance.**

A. WIS International, 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 its employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

B. Any breach of warranty under subsection (A) above is considered a material breach of this Agreement and is subject to penalties up to and including termination.

C. Customer retains the legal right to inspect the papers of WIS International or subcontractor employee who performs work under this Agreement to ensure that WIS International or any subcontractor is compliant with the warranty under subsection (A) above.

D. Customer may conduct random inspections, and upon request of the Customer, WIS International shall provide copies of papers and records demonstrating continued compliance with the warranty under subsection (A) above. WIS International agrees to keep papers and records available for inspection by the Customer during normal business hours and will cooperate with Customer 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 I.

E. WIS International agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon itself and expressly accrue those obligations directly to the benefit of Customer. WIS International 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 Customer.

F. WIS International' warranty and obligations under this Section I to Customer are continuing throughout the term of this Agreement or until such time as Customer determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.

G. 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.

**2. Conflicts.** This Agreement is subject to cancellation for conflicts of interest under the provisions of A.R.S. § 38-511.

**3. Insurance.**

**3.1 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.

- i. 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.
- ii. 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.
- iii. 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. R
- iv. 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:

- i. Cancellation or termination of Contractor or Sub-contractor's Policies;
- ii. Reduction of the coverage limits of any of Contractor or and Sub-contractor's Policies; and
- iii. Any other material modification of Contractor or Sub-contractor's Policies related to this Agreement.

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G. Certificates of Insurance.

- i. 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.

- ii. 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.
- iii. 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.

- i. 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.
- ii. 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.

- i. 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.
- ii. 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.

**3.2 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.

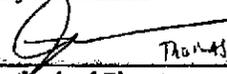
**3.3 Indemnification.**

- 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 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, 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.

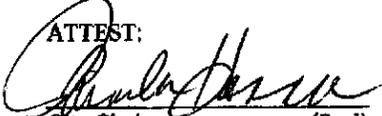
**3.4 Waiver of Subrogation.** Contractor waives, and will require any Subcontractor to waive, all rights of subrogation against the City to the extent of all losses or damages covered by any policy of insurance.

The Parties are bound by this Addendum as of the date above.

City of Glendale

  
Thomas MELILLO  
Authorized Signature

Sr. MANAGEMENT ASST. 2/10/15  
Title Date

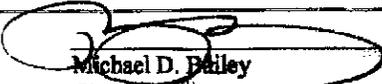
ATTEST:  
  
Paula Harris  
City Clerk (Seal)

WIS International

  
Michael D. Bailey  
Title Date

CFD 2/6/15  
Title Date

APPROVED AS TO FORM:

  
Michael D. Bailey  
City Attorney