City of Glendale
Council Meeting Agenda

January 28, 2014 – 6:00 p.m.

Welcome!
We are glad you have chosen to attend this meeting. We welcome your interest and encourage you to attend again.

Form of Government
The City of Glendale has a Council-Manager form of government. Policy is set by the elected Council and administered by the Council-appointed City Manager. The Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of six electoral districts and are elected by the voters of their respective districts (see map on back).

Voting Meetings and Workshop Sessions
Voting meetings are held for Council to take official action. These meetings are held on the second and fourth Tuesday of each month at 6:00 p.m. in the Council Chambers of the Glendale Muncipal Office Complex, 5850 West Glendale Avenue. **Workshop sessions** provide Council with an opportunity to hear presentations by staff on topics that may come before Council for official action. These meetings are generally held on the first and third Tuesday of each month at 1:30 p.m. in Room B3 of the Glendale Muncipal Office complex.

Special voting meetings and workshop sessions are called for and held as needed.

Executive Sessions
Council may convene to an executive session to receive legal advice, discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive sessions will be held in Room B3 of the Council Chambers. As provided by state statute, executive sessions are closed to the public.

Regular City Council meetings are telecast live. Repeat broadcasts are telecast the second and fourth week of the month – Wednesday at 2:30 p.m., Thursday at 8:00 a.m., Friday at 8:00 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 1:30 p.m. on Glendale Channel 11.

Meeting Agendas
Generally, paper copies of Council agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting from the City Clerk Department inside Glendale City Hall. Additionally, the agenda and all supporting documents are posted to the city's website, ***www.glendaleaz.com***

Public Rules of Conduct
The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

How to Participate
Voting Meeting - The Glendale City Council values citizen comments and input. If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a blue Citizen Comments Card. Public hearings are also held on certain agenda items. If you wish to speak on a particular item listed on the agenda, please fill out a gold Public Hearing Speakers Card. Your name will be called when the Public Hearing on the item has been opened or Citizen Comments portion of the agenda is reached. **Workshop Sessions -** There is no Citizen Comments portion on the workshop agenda.

When speaking at the Podium, please state your name and the city in which you reside. If you reside in the City of Glendale, please state the Council District you live in and present your comments in five minutes or less.

Regular Workshop meetings are telecast live. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.

If you have any questions about the agenda, please call the City Manager's Office at (623)930-2870. If you have a concern you would like to discuss with your District Councilmember, please call the City Council Office at (623)930-2249

For special accommodations or interpreter assistance, please contact the City Manager's Office at (623)930-2870 at least one business day prior to this meeting. TDD (623)930-2197.

Para acomodacion especial o traductor de español, por favor llame a la oficina del adminsitrador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.

Councilmembers

Cactus District – Ian Hugh
Cholla District – Manuel D. Martinez
Ocotillo District – Norma S. Alvarez
Sahuaro District – Gary D. Sherwood
Yucca District – Samuel U. Chavira

GLENDALE

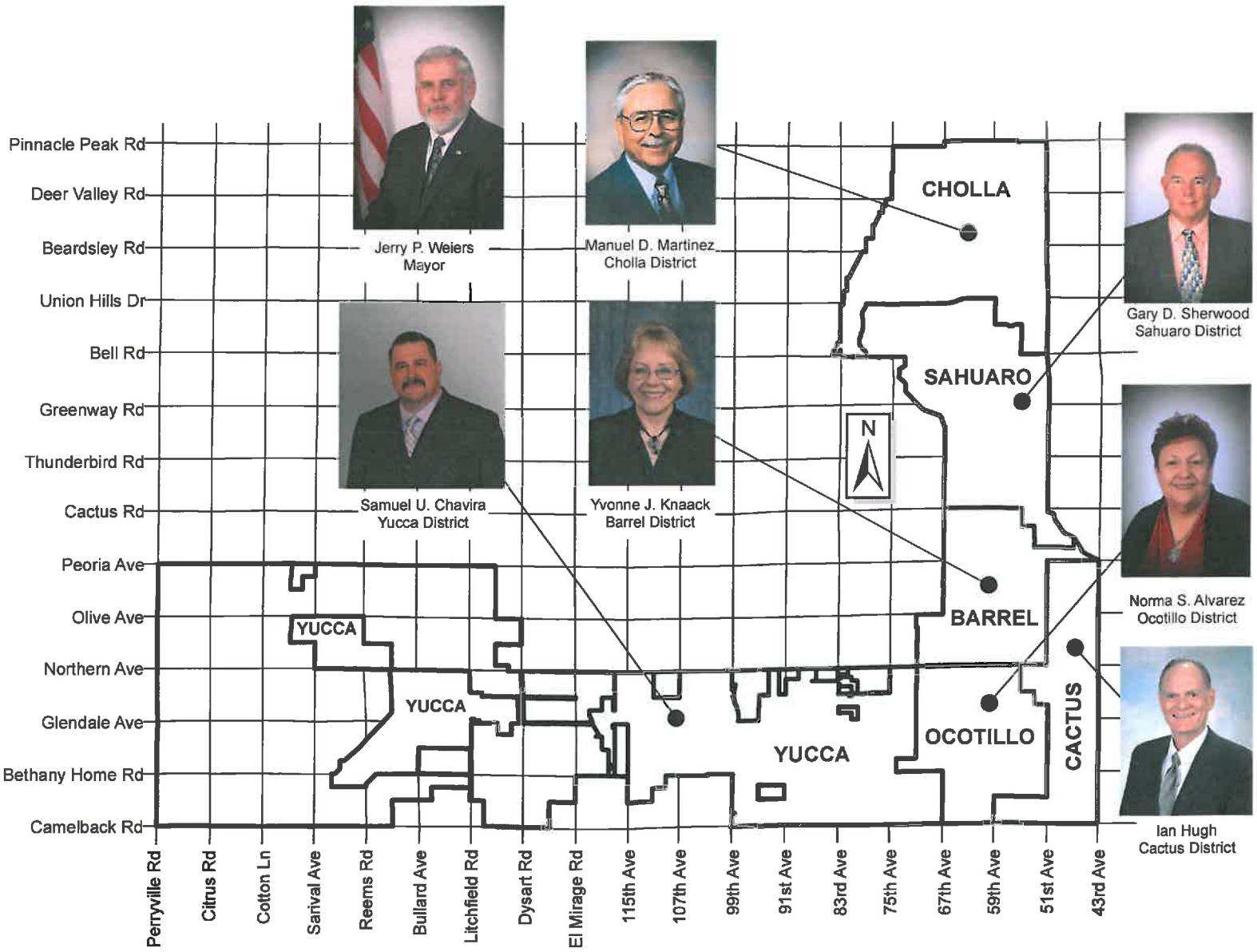
MAYOR JERRY P. WEIERS
Vice Mayor Yvonne J. Knaack – Barrel District

Appointed City Staff

Brenda S. Fischer – City Manager
Michael D. Bailey – City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge

GLENDALE AZ

Council District Boundaries



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GLENDALE

GLENDALE CITY COUNCIL MEETING
Council Chambers
5850 West Glendale Avenue
January 28, 2014
6:00 p.m.

One or more members of the City Council may be unable to attend the Council Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PRAYER/INVOCATION

Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Mayor's office and interested persons should contact the Mayor's office for further information.

CITIZEN COMMENTS

If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a Citizen Comments Card located in the back of the Council Chambers and give it to the City Clerk before the meeting starts. The City Council can only act on matters that are on the printed agenda, but may refer the matter to the City Manager for follow up. Once your name is called by the Mayor, proceed to the podium, state your name and address for the record and limit your comments to a period of five minutes or less.

APPROVAL OF THE MINUTES OF January 14, 2014

BOARDS, COMMISSIONS AND OTHER BODIES

APPROVE RECOMMENDED APPOINTMENTS TO BOARDS, COMMISSIONS & OTHER BODIES
PRESENTED BY: Councilmember Manuel Martinez

CONSENT AGENDA

Items on the consent agenda are intended to be acted upon in one motion. If you would like to comment on an item on the consent agenda, please come to the podium and state your name, address and item you wish to discuss.

1. APPROVE SPECIAL EVENT LIQUOR LICENSE, ST. HELEN CATHOLIC CHURCH
PRESENTED BY: Susan Matousek, Revenue Administrator

2. APPROVE LIQUOR LICENSE NO. 5-12067, RESTAURANTE TU PUEBLO
PRESENTED BY: Susan Matousek, Revenue Administrator

3. APPROVE LIQUOR LICENSE NO. 5-12358, EXPRESS FOOD MART
PRESENTED BY: Susan Matousek, Revenue Administrator

4. APPROVE LIQUOR LICENSE NO. 5-12365, IL PRIMO PIZZA & WINGS
PRESENTED BY: Susan Matousek, Revenue Administrator

5. AUTHORIZATION TO APPROVE A MAINTENANCE SUPPORT AGREEMENT WITH TCS AMERICA, INC. AND IMPRESSION TECHNOLOGY, INC. FOR THE TAX MANTRA SYSTEM
PRESENTED BY: Tom Duensing, Executive Director, Financial Services

6. AUTHORIZATION TO PURCHASE A FIRE PUMPER FROM HOUSTON-GALVESTON AREA COUNCIL WITH GRANT FUNDS RECEIVED FROM THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY
PRESENTED BY: Mark Burdick, Fire Chief

7. AUTHORIZATION OF A CONTINGENCY TRANSFER TO THE FIRE DEPARTMENT
PRESENTED BY: Mark Burdick, Fire Chief

8. AUTHORIZATION OF A GRANTS FUND TRANSFER TO FIRE GRANTS
PRESENTED BY: Mark Burdick, Fire Chief

CONSENT RESOLUTIONS

9. AUTHORIZATION TO ACCEPT THE 2014 INTERNET CRIMES AGAINST CHILDREN SUB-GRANT
PRESENTED BY: Debora Black, Police Chief
RESOLUTION: 4765

10. AUTHORIZATION TO ENTER INTO FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH NORWOOD VILLAGE APARTMENTS, LLC AND GORMAN AND COMPANY, INC. FOR MULTI-FAMILY HOUSING
PRESENTED BY: Sam McAllen, Interim Assistant City Manager
RESOLUTION: 4766

11. AUTHORIZATION TO AMEND COUNCIL MEETING RULES AND PROCEDURES
PRESENTED BY: Kristen Krey, Council Services Administrator
RESOLUTION: 4767

PUBLIC HEARING - LAND DEVELOPMENT ACTIONS

12. REQUEST TO HOLD A PUBLIC HEARING ON THE PROPOSED LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS PLAN FOR THE CITY OF GLENDALE
PRESENTED BY: Stuart Kent, Executive Director, Public Works

BIDS AND CONTRACTS

13. AUTHORIZATION TO APPROPRIATE FUNDS AND AWARD A CONSTRUCTION CONTRACT TO ACTION DIRECT, LLC FOR THE ROSE LANE AQUATICS CENTER BACKWASH DRAIN PROJECT
PRESENTED BY: Erik Strunk, Executive Director, Parks, Recreation & Library Services

14. AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH CAROLLO ENGINEERS, INC. FOR ARROWHEAD RANCH WATER RECLAMATION FACILITY DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES
PRESENTED BY: Craig Johnson, P.E., Executive Director, Water Services

15. AUTHORIZATION TO PURCHASE CITY COURT CCTV SECURITY SYSTEM AND ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH EXHIBIT ONE
PRESENTED BY: Elizabeth R. Finn, Presiding Judge

16. AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH QWEST COMMUNICATIONS COMPANY LLC FOR INTERNET, VOICE, VIDEO, AND DATA SERVICES
PRESENTED BY: Chuck Murphy, Executive Director, Technology & Innovation

17. AUTHORIZATION TO PURCHASE REPLACEMENT SERVERS AND ENTER INTO LINKING AGREEMENT WITH IBM CORPORATION
PRESENTED BY: Chuck Murphy, Executive Director, Technology & Innovation

ORDINANCES

18. AUTHORIZATION TO ENTER INTO A MAIN EXTENSION AGREEMENT WITH EPCOR WATER ARIZONA, INC. TO SUPPLY WATER FOR LOOP 303 LANDSCAPING
PRESENTED BY: Cathy Colbath, Interim Asst Exec Director, Transportation Services
ORDINANCE: 2873

19. ADOPT AN ORDINANCE AMENDING GLENDALE CITY CODE, CHAPTER 26, ARTICLE II, SECTION 26-22 (OBSTRUCTING POLICE)
PRESENTED BY: Debora Black, Police Chief
ORDINANCE: 2874

20. ORDINANCE AMENDING THE ESTABLISHMENT OF THE GENERAL PLAN STEERING COMMITTEE

PRESENTED BY: Jon M. Froke, AICP, Planning Director
ORDINANCE: 2875

NEW BUSINESS

21. COUNCIL SELECTION OF VICE MAYOR

PRESENTED BY: Kristen Krey, Council Services Administrator

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

COUNCIL COMMENTS AND SUGGESTIONS

ADJOURNMENT

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

(i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
(ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
(iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
(iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
(v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
(vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

Items Respectfully Submitted,

Brenda S. Fischer, ICMA-CM
City Manager

MINUTES OF THE
GLENDALE CITY COUNCIL MEETING
Council Chambers
5850 West Glendale Avenue
January 14, 2014
6:00 p.m.

The meeting was called to order by Mayor Jerry P. Weiers, Vice Mayor Yvonne J. Knaack and the following Councilmembers were present: Norma S. Alvarez, Samuel U. Chavira, Ian Hugh, Manuel D. Martinez and Gary D. Sherwood.

Also present were Brenda Fischer, City Manager; Julie Frisoni, Interim Assistant City Manager; Michael Bailey, City Attorney; and Pamela Hanna, City Clerk.

Mayor Weiers called for the Pledge of Allegiance.

The prayer was given by Captain Kihyum Oh, Salvation Army.

CITIZEN COMMENTS

Andrew Marwick, a Phoenix resident, said the Coyotes are still behind the scenes even though budget issues have been brought to the forefront of the city's problems. He wasn't able to find any information about the revenue generated from the parking fees at the Coyotes games, so he did some estimates on his own. He said the parking fees are a key element in the city's assessment of the hockey deal. He said with the figures he came up with, the city is not getting any parking revenue for the games with lower attendance. He said the city is only getting about $300,000-400,000 per season in revenue from parking at high attendance games. He said Glendale will be left to pay the bulk of the $15 million due without the anticipated offsetting revenue. He said attendance at the games has been very weak this year and most people will walk from the free parking rather than pay a fee to park. He asked if the Coyotes have given any financial statements to the city. He said this is a continual problem hanging over the city.

Darcy Marwick, a Phoenix resident, spoke about the new facilities opening in Maricopa and in Florence. She also mentioned a news story about a fire in the city where a home was destroyed. She asked questions about the Fire Department's response to this fire call. She also spoke about attendance at the Coyotes games.

Bill Demski, a Sahuaro resident, spoke about how to pay the bills owed by the city. He discussed salary and benefits of city employees and compared those to school teachers. He asked why Glendale salaries were so far out of reality. He spoke about overtime monies paid to several police officers. He spoke about employees getting car allowances. He next spoke about an $800 Christmas bonus to employees. He asked if the city could afford that. He also mentioned several dumpsters sitting at the graduate school. He talked about property taxes and raising the water bills.

Kenneth Sturgis, a Yucca resident, spoke about consolidation and privatization of services that was raised at a previous meeting. He spoke about some privatization myths. He said entities have brought services back in house due to lack of cost savings. He said cost estimates are unreliable. He discussed the State of Arizona selling buildings and leasing them back.

Ken Jones, an Ocotillo resident, spoke about reasons why the city has budget issues. He said the hockey season is half over and the Council can tell how much money they will be getting from the Coyotes in the long run. He said only about $4 million is what the city is going to get for the first year of the agreement with the Coyotes. He asked how many city workers the Council is willing to fire to pay all the money owed to the Coyotes.

Compliance with Article VII, Section 6(c) of the Glendale Charter

A statement was filed by the City Clerk that the 5 resolutions and 4 ordinances to be considered at the meeting were available for public examination and the title posted at City Hall more than 72 hours in advance of the meeting.

Approval of the minutes of the December 10, 2013 City Council Meeting

It was moved by Vice Mayor Knaack, and seconded by Councilmember Sherwood, to dispense with the reading of the minutes of the December 10, 2013 Regular City Council meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.

PROCLAMATIONS AND AWARDS

PROCLAIM JANUARY 20, 2014 AS DR. MARTIN LUTHER KING, JR. DAY
PRESENTED BY: Office of the Mayor
ACCEPTED BY: Community Members

This is a request for City Council to proclaim January 20, 2014 as Dr. Martin Luther King, Jr. Day. Mayor Weirs read the proclamation and several copies of the proclamation were given to representatives of the community.

CONSENT AGENDA

Ms. Brenda Fischer, City Manager, read agenda item numbers 1 through 7. Councilmember Alvarez requests to hear Items 6 and 7 separately.

1. APPROVE LIQUOR LICENSE NO. 3-664, FRY'S FOOD & DRUG #60
   PRESENTED BY: Tom Duensing, Executive Director, Financial Services

This is a request for City Council to approve adding non-transferable sampling privileges to a series 9 (Liquor Store - All Liquor) license for Fry's Food & Drug #60 located at 20220 North 59th Avenue. The Arizona Department of Liquor Licenses and Control application (No. 09070425 S) was submitted by Robert Joseph Nelson.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

2. APPROVE LIQUOR LICENSE NO. 3-816, MAX'S
   PRESENTED BY: Tom Duensing, Executive Director, Financial Services

This is a request for City Council to approve a person-to-person, location-to-location transferable series 6 (Bar - All Liquor) license for Max's located at 6727 North 47th Avenue. The Arizona Department of Liquor Licenses and Control application (No. 06070193) was submitted by Daniel A. Luciano.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

3. APPROVE LIQUOR LICENSE NO. 5-11991, DOLLAR ITEM PLUS STORE
   PRESENTED BY: Tom Duensing, Executive Director, Financial Services

This is a request for City Council to approve a new, non-transferable series 10 (Liquor Store - Beer and Wine) license for Dollar Item Plus Store located at 4935 West Glendale Avenue, Suite 9. The Arizona Department of Liquor Licenses and Control application (No. 10076451) was submitted by Herman Louis Jones.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

4. APPROVE LIQUOR LICENSE NO. 5-12081, ZIPPS SPORTS GRILL
   PRESENTED BY: Tom Duensing, Executive Director, Financial Services

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license for Zipps Sports Grill located at 19420 North 59th Avenue. The Arizona Department of Liquor Licenses and Control application (No. 12079711) was submitted by Harry Todd Goldman.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

5. RATIFICATION OF EXPENDITURE OF FUNDS TO BEACON SPORTS CAPITAL PARTNERS, LLC
PRESENTED BY: Jamsheed Mehta, AICP, Executive Director, Transportation Services

This is a request for City Council to ratify the expenditure of $25,425.43 to Beacon Sports Capital Partners, LLC, who provided representation for Glendale and assisted the city in soliciting and reviewing offers for management of the city-owned Jobing.com Arena.

Kenneth Sturgis, a Yucca resident, said the costs for the two finalists in this solicitation were never revealed. He questioned aspects of the city's actions with regard to the closure of the solicitation. He asked if the arena management money was really going to IceArizona. He discussed the city's arena management payment going through Fortress according to a city contract and asked how and why Fortress, not IceArizona, is receiving the money instead of it going directly to IceArizona. He also asked why the Council was having a closed executive session after this meeting.

It was moved by Vice Mayor Knaack and seconded by Councilmember Chavira, to approve the recommended actions on Consent Agenda Item Numbers 1 through 5, and to forward Liquor License Application No. 3-664 for Fry's Food & Drug #60, Liquor License Application No. 3-816 for Max's and Liquor License Application No. 5-11991 for Dollar Item Plus Store to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.

Councilmember Alvarez said she didn't want to hear Item 6 separately only Item 7.

6. AUTHORIZATION TO PURCHASE WATER QUALITY MONITORING EQUIPMENT AND LABORATORY SUPPLIES FROM HACH COMPANY
PRESENTED BY: Craig Johnson, P.E., Executive Director, Water Services

This is a request for City Council to authorize the purchase of water quality monitoring equipment and laboratory supplies from HACH Company in the amount of $180,000 annually for use at various water production and wastewater reclamation sites.

It was moved by Vice Mayor Knaack and seconded by Councilmember Chavira, to approve the recommended actions on Consent Agenda Item Number 6, the motion carried unanimously.

7. POSITION RECLASSIFICATIONS
PRESENTED BY: Jim Brown, Executive Director, Human Resources & Risk Management

This is a request for the City Council to authorize the City Manager to reclassify existing positions within the organization that have experienced a change in duties and/or responsibilities.

Mr. Brown said position reclassifications will be brought to Council for a vote since these create a change in the Council approved city budget. He said this process provides transparency to both Council and the public. There are two positions requesting reclassification.

Councilmember Alvarez asked what the two positions were. Mr. Brown said they were a secretary position reclassified to Assistant City Manager and a senior budget analyst in the Financial Services area reclassified to a purchasing materials manager. Councilmember Alvarez asked if these positions are ongoing if they voted for this item. Mr. Brown said these are existing positions within the current budget. He said the titles would change and those new titles would be ongoing, however this action would not create additional positions in the budget. Councilmember Alvarez said they were under the impression they were going to do a reclassification of the assistant city manager positions. Mr. Brown said this comes from a recommendation made by Management Partners that the city manager's office has two assistant city manager positions. He said there are two ways to accomplish this, we can either create an additional FTE in the budget with Council approval or we can do what we're doing tonight and that's requesting an existing FTE position be reclassified. Councilmember Alvarez said she has no problem with reclassification of empty positions. She said Council does not know how much money is budgeted. She asked if this could wait until they go through the budget process. Mr. Brown said they are existing vacancies right now and Ms. Fischer and Mr. Duensing can speak to why these two positions are needed now.

Councilmember Alvarez said she doesn't know how much money they have and doing the reclassifications doesn't make sense before they go through the budget process. She said they shouldn't rush into anything new until they know how much money they are going to have on July 1st.

It was moved by Vice Mayor Knaack and seconded by Councilmember Sherwood, to approve the recommended actions on Consent Agenda Item Number 7, the motion carried. Motion carried with the following Councilmembers voting "aye": Chavira, Hugh, Knaack, Martinez, Sherwood, and Weiers. Members voting "nay": Alvarez.

<u>CONSENT RESOLUTIONS</u>

Ms. Pamela Hanna, City Clerk, read consent agenda resolution item numbers 8 through 11.

8. <u>AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE FIRE DISTRICT OF SUN CITY WEST FOR HELICOPTER AIR-MEDICAL LOGISTICS OPERATIONS</u>
   PRESENTED BY: Mark Burdick, Fire Chief
   RESOLUTION: 4760

This is a request for City Council to waive reading beyond the title and adopt a Resolution authorizing the City Manager to enter into an Intergovernmental Agreement (IGA) with the

Fire District of Sun City West (FDSCW) to support the Helicopter Air-Medical Logistics Operations (H.A.L.O.) Program.

RESOLUTION NO. 4760 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN INTERGOVERNMENTAL AGREEMENT WITH THE FIRE DISTRICT OF SUN CITY WEST TO SUPPORT THE HELICOPTER AIR-MEDICAL LOGISTICS OPERATIONS (H.A.L.O.) PROGRAM.

9. AUTHORIZATION TO ACCEPT A COMMUNITY ORIENTED POLICING SERVICES GRANT FROM THE UNITED STATES DEPARTMENT OF JUSTICE
   PRESENTED BY: Debora Black, Police Chief
   RESOLUTION: 4761

This is a request for City Council to waive reading beyond the title and adopt a Resolution authorizing the City Manager to accept a Community Oriented Policing Services (COPS) grant in the amount of $1,250,000 from the United States Department of Justice (DOJ) COPS Hiring Program for 10 new full-time police officers.

RESOLUTION NO. 4761 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ACCEPTING THE COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT OFFER IN THE AMOUNT OF $1,250,000 FROM THE U.S. DEPARTMENT OF JUSTICE COPS HIRING PROGRAM ON BEHALF OF THE GLENDALE POLICE DEPARTMENT; AND AUTHORIZING THE HIRING OF 10 ADDITIONAL POLICE OFFICERS.

10. AUTHORIZATION TO EXECUTE THREE LICENSE AGREEMENTS WITH CRICKET COMMUNICATIONS, INC. TO OPERATE WIRELESS COMMUNICATIONS SITES WITHIN PUBLIC RIGHT-OF-WAY AND ON CITY-OWNED PROPERTY
    PRESENTED BY: Stuart Kent, Executive Director, Public Works
    RESOLUTION: 4762

This is a request for the City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to execute three license agreements between the City of Glendale and Cricket Communications, Inc. (Cricket) to operate wireless communication sites within public right-of-way and on city-owned property.

RESOLUTION NO. 4762 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO EXECUTE THREE LICENSE AGREEMENTS WITH CRICKET COMMUNICATIONS, INC., FOR WIRELESS COMMUNICATION SITES LOCATED ON CITY RIGHT-OF-WAY IN GLENDALE, ARIZONA.

11. AUTHORIZATION TO ENTER INTO A TEMPORARY CONSTRUCTION LICENSE

AGREEMENT WITH COFFMAN SPECIALTIES, INC. RELATED TO CONSTRUCTION OF HOV LANES AT MARYLAND AVENUE AND LOOP 101
PRESENTED BY: Jamsheed Mehta, AICP, Executive Director, Transportation Services
RESOLUTION: 4763

This is a request for Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into a temporary construction license agreement with Coffman Specialties, Inc. related to construction of high-occupancy vehicle (HOV) lanes at Maryland Avenue and Loop 101.

RESOLUTION NO. 4763 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO EXECUTE A TEMPORARY CONSTRUCTION LICENSE AGREEMENT FOR USE OF CITY REAL PROPERTY LOCATED AT THE SOUTHWEST CORNER OF 91ST AND NORTHERN AVENUES WITH COFFMAN SPECIALTIES, INC.

It was moved by Vice Mayor Knaack and seconded by Councilmember Martinez, to approve the recommended actions on Consent Agenda Item Numbers 8 through 11, including the approval and adoption of Resolution No. 4760 New Series, Resolution No. 4761 New Series, Resolution No. 4762 New Series, and Resolution No. 4763 New Series. The motion carried unanimously.

BIDS AND CONTRACTS

12. AUTHORIZATION OF AMENDMENT NO. 3 TO THE CONTRACT WITH SOUTHWEST FABRICATION, LLC TO INCREASE THE ANNUAL SPENDING AUTHORITY FOR BUS SHELTER INSTALLATION AND REPAIR
PRESENTED BY: Jamsheed Mehta, AICP, Executive Director, Transportation Services

This is a request for City Council to approve additional spending authority as part of Amendment Number Three to contract C-7675 with Southwest Fabrication, LLC for Bus Shelter Installation and Repair from $27,000 annually to an amount not to exceed $255,000 per year for this amendment and any subsequent extensions.

Mr. Mehta said initially, an annual limit of $27,000 was set aside for this project. He said the limit was intentionally set low as the city was facing budget cuts in the Transportation Department. As a consequence, there is now a backlog of repair and installation work that needs to be done. He said of the 220 bus stops with shelters, benches and trash cans, about half need some sort of repair. If approved, Mr. Mehta said the plan is to address the first 50 bus shelters. He said they have sufficient funds to address this increased expenditure out of the GO Transportation program. He said this item does not affect the budget, but does increase the contracted spending limit, raising it to $255,000 a year.

Vice Mayor Knaack asked how many bus shelters they lose each year to auto accidents and if that money was part of the budget. Mr. Mehta said there is funding from the same

funding source. He said he was not sure how many bus shelters they lose. Vice Mayor Knaack confirmed with Mr. Mehta that the city is just doing regular metal bus shelters and is no longer doing any brick shelters.

Mayor Weiers asked what method the city has of recouping costs of a damaged shelter if a driver has no insurance. Mr. Mehta said information is provided to risk management as soon as an incident occurs and they follow-up to make sure the city's costs are recouped. Mayor Weiers asked what the city does if there is no insurance. Mr. Mehta said they follow up and pursue this through the collections process. He said he did not know how successful that was, but said that information could be provided to Council.

It was moved by Councilmember Hugh, and seconded by Councilmember Martinez, to approve Amendment No. 3 to the Contract with Southwest Fabrication, LLC to increase the annual spending authority for bus shelter installation and repair. The motion carried unanimously.

13. AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH LITTLEJOHN ENGINEERING ASSOCIATES, INC. FOR DESIGN AND CONSTRUCTION SERVICES FOR THE FISCAL YEAR 2013-14 PAVEMENT MANAGEMENT PROGRAM
PRESENTED BY: Stuart Kent, Executive Director, Public Works

This is a request for City Council to authorize the City Manager to enter into a professional services agreement with Littlejohn Engineering Associates, Inc. in an amount not to exceed $306,950 for design and construction administration services for the fiscal year (FY) 2013-14 City of Glendale Pavement Management Program.

It was moved by Councilmember Chavira, and seconded by Councilmember Martinez, to approve authorization to enter into a Professional Services Agreement with LittleJohn Engineering Associates, Inc. for design and construction services for the fiscal year 2013-14 Pavement Management Program. The motion carried unanimously.

14. AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH ARIZONA PUBLIC SERVICE COMPANY TO RELOCATE OVERHEAD ELECTRIC TRANSMISSION POWER LINES AT 11480 WEST GLENDALE AVENUE
PRESENTED BY: Stuart Kent, Executive Director, Public Works

This is a request for City Council to authorize the City Manager to enter into an agreement with Arizona Public Service Company (APS) in an estimated amount of $929,021.59 for the relocation of APS owned overhead 69 kilovolts (kV) electric transmission power lines located at 11480 West Glendale Avenue.

Mr. Kent said this relocation is for the expansion of the landfill project. He said funds are budgeted in the landfill capital budget to meet this expense.

It was moved by Councilmember Martinez, and seconded by Councilmember Hugh, to approve authorization to enter into an agreement with Arizona Public Service Company to relocate overhead electric transmission power lines at 11480 W. Glendale Avenue. The motion carried unanimously.

ORDINANCES

15. ADOPT AN ORDINANCE GRANTING A UTILITY EASEMENT TO ARIZONA PUBLIC SERVICE COMPANY ACROSS A PORTION OF CITY-OWNED PROPERTY AT 11480 WEST GLENDALE AVENUE
PRESENTED BY: Stuart Kent, Executive Director, Public Works
ORDINANCE: 2869

This is a request for the City Council to waive reading beyond the title and adopt an ordinance granting a utility easement to Arizona Public Service Company (APS) across a portion of city-owned property at 11480 West Glendale Avenue.

ORDINANCE NO. 2869 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO EXECUTE A UTILITY EASEMENT IN FAVOR OF ARIZONA PUBLIC SERVICE COMPANY ON CITY-OWNED PROPERTY TO CONSTRUCT, RECONSTRUCT, REPLACE, REPAIR, OPERATE AND MAINTAIN ELECTRICAL LINES LOCATED AT 11480 WEST GLENDALE AVENUE; AND ORDERING THAT A CERTIFIED COPY OF THIS ORDINANCE BE RECORDED.

It was moved by Councilmember Sherwood, and seconded by Vice Mayor Knaack, to approve Ordinance No. 2869 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Alvarez, Chavira, Hugh, Knaack, Martinez, Sherwood, and Weiers. Members voting "nay": none.

16. ADOPT AN ORDINANCE AMENDING GLENDALE CITY CODE, CHAPTER 33, ARTICLE II, SECTION 33-84 (VOLUNTARY UTILITY BILLING DONATION PROGRAM)
PRESENTED BY: Tom Duensing, Executive Director, Financial Services
ORDINANCE: 2870

This is a request for City Council to waive reading beyond the title and adopt an ordinance amending Glendale City Code, Chapter 33, Article II, Section 33-84 (Voluntary utility billing donation program), increasing the voluntary donation amount added to a user's bill to two dollars ($2.00).

Mr. Duensing said Council gave consensus to change the voluntary donation to "From the Heart" on the user's utility billing from $1.00 to $2.00. He said they have been working with the Communications department to reach out to utility users reference this change.

ORDINANCE NO. 2870 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA

COUNTY, ARIZONA, AMENDING THE CODE OF THE CITY OF GLENDALE, CHAPTER 33, SEC. 33-84 (VOLUNTARY UTILITY BILLING DONATION PROGRAM); AND SETTING FORTH AN EFFECTIVE DATE.

Vice Mayor Knaack commented she hoped the residents of Glendale would embrace this change as these funds make a great deal of difference in the programs supported by the city.

It was moved by Vice Mayor Knaack, and seconded by Councilmember Martinez, to approve Ordinance No. 2870 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Alvarez, Chavira, Hugh, Knaack, Martinez, Sherwood, and Weiers. Members voting "nay": none.

17. ADOPT AN ORDINANCE AMENDING GLENDALE CITY CODE, CHAPTER 2, ARTICLE I, SECTION 2-3 (COMMUNITY DEVELOPMENT FEE WAIVER/REBATE)
    PRESENTED BY: Brian Friedman, Executive Director, Community & Economic Development
    ORDINANCE: 2871

This is a request for City Council to waive reading beyond the title and adopt an ordinance to amend the Glendale City Code Chapter 2, Article 1, Section 2-3 to provide authorization for the City Council to waive or rebate Community Development permit fees upon a finding that the waiver or rebate is in the best interests of the City of Glendale; and, delegates its authority to the City Manager to administratively waive or rebate up to $50,000 of Community Development permit fees. Staff recommends that City Council adopt the amendment to the existing ordinance to be utilized as an economic development tool.

Mr. Friedman said in the past waivers were issued based on signature authority limits. He said it is important to obtain Council's authority to specifically authorize any waiver or rebate in the city code. He said in no case are they requesting any waiver of development impact fees. He said economic development is very competitive and it is essential to respond quickly to acquire jobs for the city. He said previous fee waivers have been directly responsible for 2,563 jobs and creation of annual revenue of $6.8 million, for return on investment of 20 to 1. He explained the criteria that would be used to determine a waiver of fees.

Councilmember Hugh asked about the fee waivers issued since 2010 and asked under whose authority those were issued. Mr. Friedman said this was a directive from the City Manager's office. He said the signature authority limits were set at $50,000 and it was Mr. Bailey's recommendation that the code explicitly allow for this authority.

Councilmember Hugh said in these tough economic times, he did not want to give up the fiduciary responsibility of approving waivers.

ORDINANCE NO. 2871 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA

COUNTY, ARIZONA, AMENDING GLENDALE CITY CODE CHAPTER 2 (ADMINISTRATION), ARTICLE I (IN GENERAL), SECTION 2-3 RELATING TO COMMUNITY DEVELOPMENT FEES.

It was moved by Councilmember Martinez, and seconded by Vice Mayor Knaack, to approve Ordinance No. 2871 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Chavira, Knaack, Martinez, Sherwood, and Weiers. Members voting "nay": Alvarez and Hugh.

18. ADOPT AN ORDINANCE ESTABLISHING A GENERAL PLAN STEERING COMMITTEE
PRESENTED BY: Jon M. Froke, AICP, Planning Director
ORDINANCE: 2872

This is a request for City Council to waive reading beyond the title and adopt an ordinance establishing a General Plan Steering Committee. The city's General Plan is required by state law to be periodically updated and the Planning Division is beginning this process. As part of the General Plan update, the Planning Division desires to be assisted by a Steering Committee of interested citizens and stakeholders in the community.

Mr. Froke said the steering committee would be made up of residents, business owners and other community members and stakeholders to assist staff as they update the general plan.

Councilmember Martinez said they are looking for individuals interested in serving on this committee. He said anyone interested should contact the Council office and those currently serving on commissions/boards can also apply. He said they are on a very short timeframe.

Councilmember Sherwood clarified that if anyone currently serving on a board or commission is interested, they will be allowed to also serve on the steering committee as well, but they will have to fill out another application. Councilmember Martinez noted that was what he thought that he said.

ORDINANCE NO. 2872 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ESTABLISHING A GENERAL PLAN STEERING COMMITTEE TO WORK WITH STAFF TO CREATE A RECOMMENDED DRAFT REVISED GENERAL PLAN, PURSUANT TO THE PROVISIONS OF ARIZONA REVISED STATUTES, TITLE 9, CHAPTER 4, ARTICLE 6, AND SETTING FORTH INSTRUCTIONS AND CHARGES.

It was moved by Councilmember Chavira, and seconded by Councilmember Sherwood, to approve Ordinance No. 2872 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Alvarez, Chavira, Hugh, Knaack, Martinez, Sherwood, and Weiers. Members voting "nay": None.

RESOLUTIONS

19. AUTHORIZATION TO ENTER INTO A TEMPORARY LICENSE AGREEMENT WITH THE

NEW WESTGATE, LLC FOR PARKING ON FEBRUARY 1, 2015
PRESENTED BY: Jamsheed Mehta, AICP, Executive Director, Transportation Services
RESOLUTION: 4764

This is a request for Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into a temporary license agreement with The New Westgate, LLC (TNW) for the use of 1,679 parking spaces on February 1, 2015.

Mr. Mehta said the city is required to provide parking spaces through its agreement with the Arizona Sports and Tourism Authority and the Arizona Cardinals, which include parking for the Super Bowl. He explained some of the cost elements of the agreement. He said this contract would be part of next year's budget and more information would be presented during the budget presentations.

RESOLUTION NO. 4764 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN AGREEMENT ENTITLED "TEMPORARY LICENSE AGREEMENT" WITH THE NEW WESTGATE LLC FOR CERTAIN TEMPORARY PARKING RIGHTS AT WESTGATE.

It was moved by Councilmember Hugh, and seconded by Vice Mayor Knaack, to pass, adopt and approve Resolution No. 4764 New Series. The motion carried unanimously.

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

It was moved by Vice Mayor Knaack, and seconded by Councilmember Sherwood, to hold a City Council Budget Workshop at 9:00 a.m. in the Council Chambers, Room B-3 on Tuesday, January 21, 2014. The motion carried unanimously.

It was further moved to hold the next regularly Scheduled City Council Workshop on Tuesday, January 21, 2014 at 1:30 p.m. in room B-3 of the City Council Chambers, to be followed by an Executive Session pursuant to A.R.S. 38-431.03.

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Sherwood congratulated Buckeye for becoming a city. He also reminded everyone that he had a public meeting scheduled for January 15th at 6:30 p.m. He encouraged everyone to attend.

Vice Mayor Knaack commented on the speakers at the beginning of the meeting. She said they have the same speakers who usually talk about the same subjects. She said they are always looking back instead of forward and she doesn't think that is a positive way to approach the city. She hoped when the speaker issue is reviewed again, they move the public speakers to the end of the meeting. She also mentioned a volunteer opportunity at Sahuaro Ranch Park on January 18th at 9:00 a.m. in celebration of Martin Luther King Day.

She said they are going to be picking fruit and the fruit will be donated to the food banks. She will be attending to welcome everyone.

Mayor Weiers said he hoped everyone had a great New Year and said they have a lot of work and challenges ahead of them.

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:29 p.m.

_____

Pamela Hanna - City Clerk

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**APPROVE RECOMMENDED APPOINTMENTS TO BOARDS, COMMISSIONS & OTHER BODIES**
Staff Contact:	**Kristen Krey, Council Services Administrator**

Purpose and Recommended Action

This is a request for City Council to approve the recommended appointments to the following boards, commissions and other bodies that have a vacancy or expired term and for the Mayor to administer the Oath of Office to those appointees in attendance.

Arts Commission				
Patricia Judd	Mayoral	Appointment	01/28/2014	08/23/2014
Nadine Yuhasz	Cholla	Appointment	01/28/2014	08/23/2014
Aviation Advisory Commission				
Scott Hadley	Yucca	Appointment	01/28/2014	11/24/2015
Citizens Bicycle Advisory Committee				
Gail Hildebrant	Cholla	Reappointment	02/12/2014	02/12/2016
J Michael Wood	Barrel	Reappointment	02/12/2014	02/12/2016
J Michael Wood – Vice Chair	Barrel	Reappointment	03/05/2014	03/05/2015
Commission on Persons with Disabilities				
Laura Hirsch	Mayoral	Reappointment	02/27/2014	02/27/2016
Samuel Hoerner	Barrel	Reappointment	02/27/2014	02/27/2016
Alika Kumar	Barrel	Reappointment	02/27/2014	02/27/2016
Laura Hirsch – Chair	Mayoral	Reappointment	02/26/2014	02/26/2015
John Fallucca – Vice Chair	Cholla	Reappointment	02/26/2014	02/26/2015
General Plan Steering Committee				
Thomas Orlikowski	Barrel	Appointment	01/28/2014	07/01/2014
Nancy Lenox	Barrel	Appointment	01/28/2014	07/01/2014
Gary Hirsch	Cactus	Appointment	01/28/2014	07/01/2014
Ken Wixon	Cactus	Appointment	01/28/2014	07/01/2014
William Sheldon	Cholla	Appointment	01/28/2014	07/01/2014
Scott Richmond	Mayoral	Appointment	01/28/2014	07/01/2014
Leslie Sheeler	Ocotillo	Appointment	01/28/2014	07/01/2014
Rebecca Ontiveros	Ocotillo	Appointment	01/28/2014	07/01/2014
Tom Schmitt	Yucca	Appointment	01/28/2014	07/01/2014

Martin Nowakowski	Yucca	Appointment	01/28/2014	07/01/2014
James Grose – Staff Recommendation	Cholla	Appointment	01/28/2014	07/01/2014
Ron Short – Staff Recommendation	Cactus	Appointment	01/28/2014	07/01/2014
Arthur Dobbelaere – Staff Recommendation	Cholla	Appointment	01/28/2014	07/01/2014
Noel Griemsmann – Staff Recommendation	N/A	Appointment	01/28/2014	07/01/2014
David Coble – Staff Recommendation	Cholla	Appointment	01/28/2014	07/01/2014
Robert Heidt – Staff Recommendation	N/A	Appointment	01/28/2014	07/01/2014

Glendale Municipal Property Corporation

Leland Peterson – Chair	Cactus	Reappointment	01/28/2014	12/01/2014

Historic Preservation Commission

Sean McCaffrey	Ocotillo	Appointment	01/28/2014	04/13/2014

Parks & Recreation Advisory Commission

John Krystek – Vice Chair	Sahuaro	Appointment	01/28/2014	04/09/2014

Personnel Board

Linda Gomez	Cholla	Appointment	01/28/2014	01/23/2016

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**APPROVE SPECIAL EVENT LIQUOR LICENSE, ST. HELEN CATHOLIC CHURCH**
Staff Contact:	**Susan Matousek, Revenue Administrator**

Purpose and Recommended Action

This is a request for City Council to approve a special event liquor license for the St. Helen Catholic Church. The event will be held inside St. Helen's Social Center located at 5510 West Cholla Street on Saturday, February 8, 2014, from 6 p.m. to 11 p.m. The purpose of this special event liquor license is for a fundraiser.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

Background Summary

St. Helen Catholic Church is located in the Barrel District. If this application is approved, the total number of days expended by this applicant will be one of the allowed 10 days per calendar year. Under the provisions of A.R.S. § 4-203.02, the Arizona Department of Liquor Licenses and Control may issue a special event liquor license only if the Council recommends approval of such license.

The City of Glendale Community and Economic Development, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

Attachments

Finance Department Report

Liquor License Attachments

Police Calls for Service Report

FINANCE DEPARTMENT REPORT

Meeting Date:	**1/28/2014**
To:	**Brenda S. Fischer, City Manager**
From:	**Susan Matousek, Revenue Administrator**
Title:	**APPROVE SPECIAL EVENT LIQUOR LICENSE, ST. HELEN CATHOLIC CHURCH**

General Information

Request: Special Event Liquor License

Location: 5510 West Cholla Street

District: Barrel

Zoned: R1-7 (Single Family Residential)

Applicant: Donald J. Gorny

Owner: St. Helen Catholic Church

Background

1. The event will be held on Saturday, February 8, 2014, from 6 p.m. to 11 p.m.

2. The total number of days expended by this applicant will be one out of the allowed 10 days per calendar year.

3. The purpose of this event is for a social fundraiser.

4. Proceeds from this special event go to St. Helen Catholic Church.

Review/Analysis

In accordance with A.R.S. § 4-203.02, the Arizona Department of Liquor Licenses and Control may issue a special event liquor license only if Council recommends approval of such license.

The City of Glendale Community and Economic Development, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

COMMUNITY AND ECONOMIC DEVELOPMENT: Approved the application with no comments.

POLICE DEPARTMENT: Recommended no cause for denial.

FIRE DEPARTMENT: Approved the application with no comments.

Staff Recommendation

It is staff's recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

800 W Washington 5th Floor
Phoenix AZ 85007-2934
(602) 542-5141

400 W Congress #521
Tucson AZ 85701-1352
(520) 628-6595

APPLICATION FOR SPECIAL EVENT LICENSE

Fee = $25.00 per day for 1-10 day events only
A service fee of $25.00 will be charged for all dishonored checks (A.R.S.§ 44-6852)

NOTE: THIS DOCUMENT MUST BE FULLY COMPLETED OR IT WILL BE RETURNED.
PLEASE ALLOW 10 BUSINESS DAYS FOR PROCESSING.

****Application must be approved by local government before submission to Department of Liquor Licenses and Control. (Section #20)**

DLLC USE ONLY
LICENSE #

1. Name of Organization: St. Helen Catholic Church
2. Non-Profit/I.R.S. Tax Exempt Number: [redacted]
3. The organization is a: (check one box only)
   - ☐ Charitable ☐ Fraternal (must have regular membership and in existence for over 5 years)
   - ☐ Civic ☐ Political Party, Ballot Measure, or Campaign Committee
   - ☒ Religious
4. What is the purpose of this event? Social
5. Location of the event: 5510 W. Cholla St; Glendale, Maricopa, 85340
   Address of physical location (Not P.O. Box) City County Zip

Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Question #1. (Signature required in section #18)

6. **Applicant:** Gorny Donald J. [redacted]
   Last First Middle Date of Birth
7. Applicant's Mailing Address: [redacted]
   Street City State Zip
8. Phone Numbers: (623) 979-4202 ( ) [redacted]
   Site Owner # Applicant's Business # Applicant's Home #
9. Date(s) & Hours of Event: (Remember: you *cannot* sell alcohol before 10:00 a.m. on Sunday)

	Date	Day of Week	Hours from A.M./P.M.	To A.M./P.M.
Day 1:	2/8/2014	SAT	6:00 PM	11:00 PM
Day 2:				
Day 3:				
Day 4:				
Day 5:				
Day 6:				
Day 7:				
Day 8:				
Day 9:				
Day 10:				

***Disabled individuals requiring special accommodations, please call (602) 542-9027**

10. Has the applicant been convicted of a felony in the past five years, or had a liquor license revoked?
☐ YES ☒ NO (attach explanation if yes)

11. This organization has been issued a special event license for 1 days this year, including this event (not to exceed 10 days per year).

12. Is the organization using the services of a promoter or other person to manage the event? ☐ YES ☒ NO
If yes, attach a copy of the agreement.

13. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds.
THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES OF THE SPECIAL EVENT.

Name ST. HELEN CATHOLIC CHURCH 100% Percentage

Address

Name _____ _____ Percentage

Address

(Attach additional sheet if necessary)

14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations. If you have any questions regarding the law or this application, please contact the Arizona State Department of Liquor Licenses and Control for assistance.

NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMISES."

15. What security and control measures will you take to prevent violations of state liquor laws at this event?
(List type and number of security/police personnel and type of fencing or control barriers if applicable)

____ # Police ☐ Fencing
2 # Security personnel ☐ Barriers

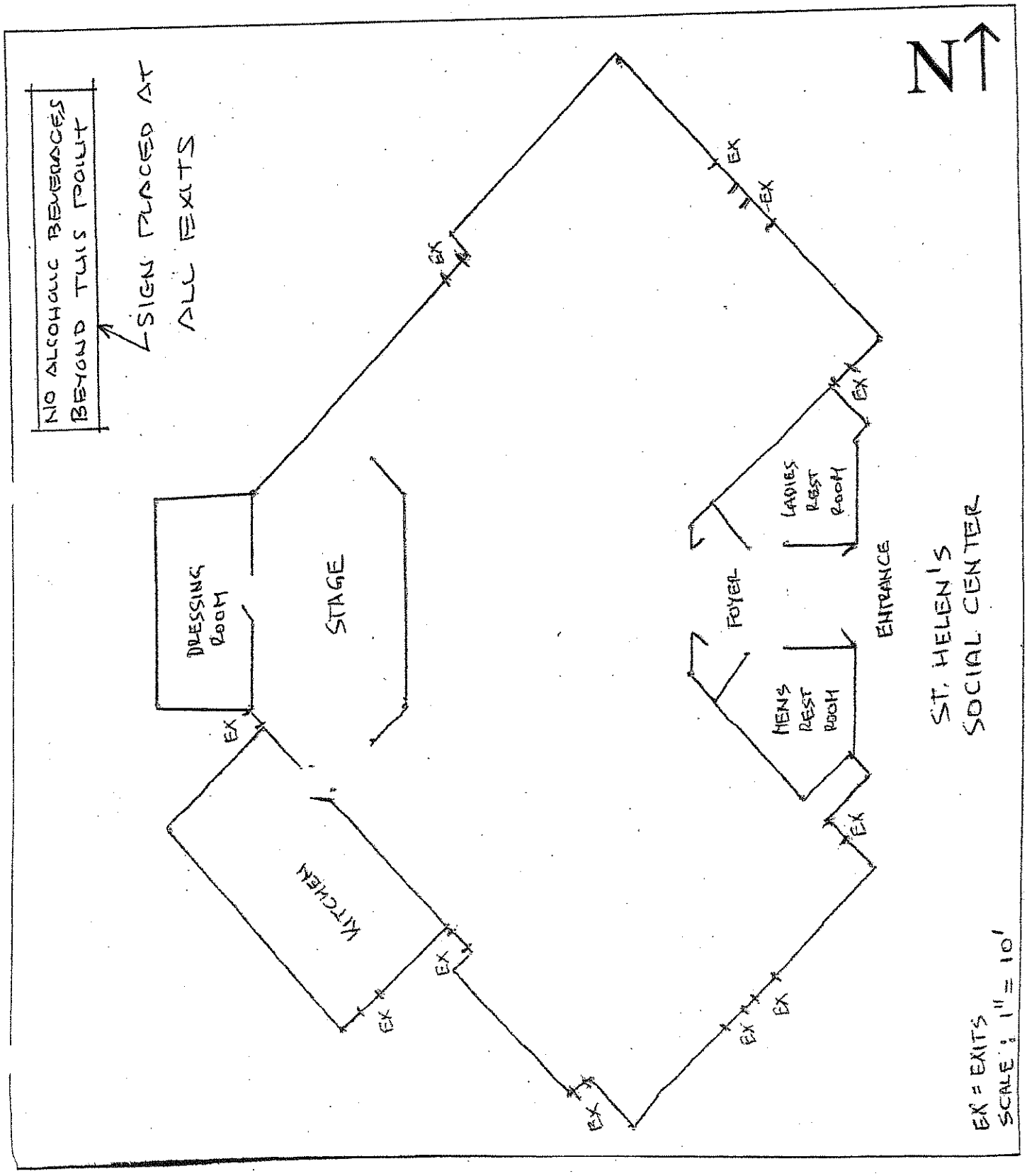
16. Is there an existing liquor license at the location where the special event is being held? ☐ YES ☒ NO
If yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use? ☐ YES ☐ NO
(ATTACH COPY OF AGREEMENT)

_____ ( ) _____
Name of Business Phone Number

17. Your licensed premises is that area in which you are authorized to sell, dispense, or serve spirituous liquors under the provisions of your license. The following page is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades or other control measures and security positions.

SPECIAL EVENT LICENSED PREMISES DIAGRAM
(This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions)
NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE ORGANIZATION NAMED IN QUESTION #1

18. I, Donald J. Gorny (Print full name) declare that I am an **Officer/Director/Chairperson** appointing the applicant listed in Question 6, to apply on behalf of the foregoing organization for a Special Event Liquor License.

X Donald J Gorny (Signature) CHAIRPERSON (Title/Position) _____ (Date) (623) 930-0018 (Phone #)

OFFICIAL SEAL
CECILIA L. CAMPOS
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Feb. 15, 2014

State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this 12 (Day) December (Month) 2013 (Year)

My Commission expires on: 2/15/2014 (Date) Cecilia L. Campos (Signature of NOTARY PUBLIC)

THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6

19. I, Donald J. Gorny (Print full name) declare that I am the APPLICANT filing this application as listed in Question 6. I have read the application and the contents and all statements are true, correct and complete.

X Donald J Gorny (Signature)

State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this 12 (Day) December (Month) 2013 (Year)

OFFICIAL SEAL
CECILIA L. CAMPOS
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Feb. 15, 2014

My commission expires on: 2/15/2014 (Date) Cecilia L. Campos (Signature of NOTARY PUBLIC)

You must obtain local government approval. City or County *MUST* recommend event and complete item #20. The local governing body may require additional applications to be completed and submitted 60 days in advance of the event. Additional licensing fees may also be required before approval may be granted.

LOCAL GOVERNING BODY APPROVAL SECTION

20. I, _____ (Government Official) _____ (Title) hereby recommend this special event application on behalf of _____ (City, Town or County) _____ (Signature of OFFICIAL) _____ (Date)

FOR DLLC DEPARTMENT USE ONLY

Department Comment Section:

_____

_____ (Employee) _____ (Date)

☐ APPROVED ☐ DISAPPROVED BY: _____

_____ (Title) _____ (Date)

SPECIAL EVENT LIQUOR APPLICATION

City of Glendale
5850 W. Glendale Ave.
Glendale, AZ 85301
www.glendaleaz.com/taxandlicense

Account #

FOR CITY USE ONLY

☐ L15 ☐ L16

Amount Due: _____

Event Information

Event Business Location Name: St Helen Catholic Church

Event Address: 5510 W. Cholla St. Glendale, AZ 85304

Name of person filling out this form: Donald J Gorny [redacted]

Phone Number: [redacted] Address: [redacted]

What is your relationship to the business? ☒ Agent ☐ Owner ☐ Attorney ☐ Consultant ☐ Other _____

If different from the person filling out this form, provide event contact person below,

Event Contact Name: _____

Phone Number: _____ Address: _____

What is their relationship to the business? ☐ Agent ☐ Owner ☐ Attorney ☐ Consultant ☐ Other _____

If "Other," please describe your relationship to the business: _____

Event Sponsor Information

Organization Name: St. Helen Catholic Church

Organization Address: 5510 W. Cholla St

Federal ID Number: [redacted]

Dates & Hours of Event

	Date	Hours		Date	Hours
Day 1:	2/8/14	6:00-11:00 PM	Day 6:		
Day 2:			Day 7:		
Day 3:			Day 8:		
Day 4:			Day 9:		
Day 5:			Day 10:		

Event Activities

Patron Dancing ☐ Yes ☒ No Cover Charge ☐ Yes ☒ No If yes, Amount $_____

Live Entertainment ☐ Yes ☒ No If yes, Type _____

Adult Entertainment ☐ Yes ☒ No Outdoor dining ☐ Yes ☒ No

Food Served ☒ Yes ☐ No Outdoor Alcohol Consumption ☐ Yes ☒ No

FOR CITY USE ONLY

GASE1011

Print version 04/2010-1

Account#

Event Fencing

Will there be fencing? ☐ Yes ☒ No

If yes: Type of Material _____ Height of Fence _____

Number of Exit Gates _____ Width of Exit Gate(s) _____

Event Parking

Is Parking Area Exclusively for this Location? ☒ Yes ☐ No If yes: How many parking spaces? MORE THAN NEEDED

Will any part of the event be in a Parking Lot? ☐ Yes ☒ No Shared with other businesses? ☐ Yes ☒ No

Will there be Vendors Outside? ☐ Yes ☒ No If yes: How many ?_____

Permit Requirements*

Have you contacted the City Planning Department about any potential zoning restrictions or Use Permit requirements that may apply to this property or business? ☐ Yes ☒ No

If "NO," please contact Development Services Center at 623-930-2800 or visit them on the 2nd Floor of Glendale City Hall, 5850 W Glendale Avenue.

Please note that approval of a Permit does not guarantee that you will be issued a liquor license.

Interpreter Language

The applicant or agent may be asked to answer questions regarding this liquor application at the City Council meeting. The City can provide Spanish interpretation at no cost to the applicant.

Do you want to request Spanish interpretation assistance for the City Council meeting? ☐ Yes ☒ No

I swear or affirm I have read all of the above questions and have personally provided all of the information to the best of my knowledge and belief and that all of it is true. I understand that all information regarding ownership of the business is very important and relevant to the processing of my application. I understand that if I provide any false information in this application, it may result in either a recommendation of disapproval of this application by the City of Glendale, criminal charges being filed against me, or both.

Donald J Storm

(Signature of person filling out this form)

12/12/13

(Date)

PLEASE SUBMIT THIS FORM ALONG WITH THE ARIZONA STATE LIQUOR LICENSE & CONTROL SPECIAL EVENT LIQUOR LICENSE APPLICATION

ATTACHMENT

13-150

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **12-18-13**

License Type: **Series 15 Special Event (Temporary License)**

Definition: Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

Application Type: **New License**

Definition: New License

Business Name: **St. Helen Catholic Church**

Business Address: **5510 W. Cholla St.**

Applicant/s Information

Name: **Gorny, Donald J.**

Name:

Name:

Name:

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 12/18/2012	Other Suites	New ownership call history beginning:
Liquor Related			
Vice Related			
Drug Related			
Fights / Assaults			
Robberies			
Burglary / Theft	2		
911 calls			
Trespassing	1		
Accidents			
Fraud / Forgery			
Threats			
Criminal damage			
Other non-criminal*	1		
Other criminal	1		
Total calls for service	**5**	**N/A**	**N/A**

* Other non-criminal includes calls such as suspicious persons, juveniles disturbing and other information only reports that required Police response or phone call.

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Applicant Background Synopsis:

All proceeds from this event go to the St. Helen Catholic Church.

Event is scheduled for 02-08-14 (Sat) (Social).

None of the listed applicant(s) have any known felony convictions within the past five years or any other known criminal history that would lead to police department recommendation for denial.

Current License Holder:

N/A

Location History:

No significant Calls for Service history at this location.

Special Concerns:

None found

Background investigation complete:

Police Department recommendation has No Cause for Denial.

		Date
Investigating Officer – M. Ervin	M. ERVIN	12-18-13
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee	R. S. Dow	12-19-13

CITY COUNCIL REPORT

Meeting Date: **1/28/2014**
Meeting Type: **Voting**
Title: **APPROVE LIQUOR LICENSE NO. 5-12067, RESTAURANTE TU PUEBLO**
Staff Contact: **Susan Matousek, Revenue Administrator**

Purpose and Recommended Action

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license for Restaurante Tu Pueblo located at 6222-24 North 43rd Avenue. The Arizona Department of Liquor Licenses and Control application (No. 12079740) was submitted by Petra Navarrete.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

Background Summary

The location of the establishment is in the Cactus District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 25,949. This series 12 is a new license, therefore, the approval of this license will increase the number of liquor licenses in the area by one. The current number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
06	Bar - All Liquor	3
09	Liquor Store - All Liquor	4
10	Liquor Store - Beer and Wine	8
12	Restaurant	2
	Total	**17**

The City of Glendale Community and Economic Development, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

Community Benefit/Public Involvement

No public protests were received during the 20-day posting period.

CITY COUNCIL REPORT

Attachments

Finance Department Report

Map

Police Calls for Service Report

FINANCE DEPARTMENT REPORT

Meeting Date:	**1/28/2014**
To:	**Brenda S. Fischer, City Manager**
From:	**Susan Matousek, Revenue Administrator**
Title:	**APPROVE LIQUOR LICENSE NO. 5-12067, RESTAURANTE TU PUEBLO**

General Information

Request: New, Non-Transferable

License: Series 12 (Restaurant)

Location: 6222-24 North 43rd Avenue

District: Cactus

Zoned: C-2 (General Commercial)

Applicant: Petra Navarrete

Owner: Petra Navarrete

Background

1. The population density is 25,949 persons within a one-mile radius.

2. The 300 feet from any church or school rule does not apply to this series license.

3. This series 12 is a new license, therefore, the approval of this license will increase the number of liquor licenses in the area by one.

Citizen Participation to Date

No protests were received during the 20-day posting period, December 18 through January 7, 2014.

Review/Analysis

In accordance with A.R.S. § 4-201(G), the applicant bears the burden of showing City Council that public convenience requires that the best interest of the community will be substantially served by the issuance of a license. Council, when considering a new, non-transferable series 12 license, may take into consideration the location, as well as the applicant's capability, qualifications, and

reliability.

The City of Glendale Community and Economic Development, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

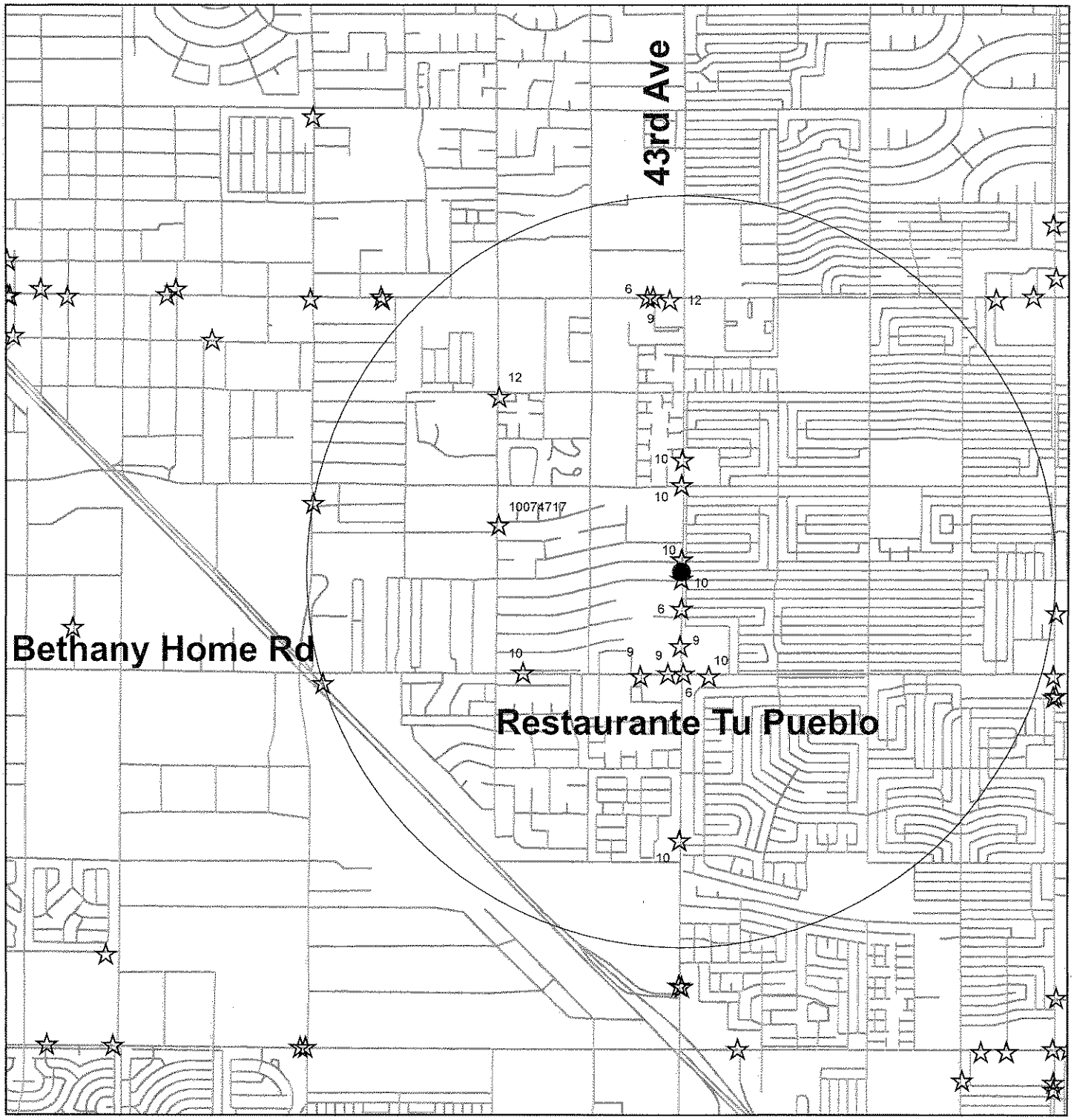
COMMUNITY AND ECONOMIC DEVELOPMENT: Approved the application with no comments.

POLICE DEPARTMENT: Recommended no cause for denial.

FIRE DEPARTMENT: Approved the application with no comments.

Staff Recommendation

It is staff's recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.



BUSINESS NAME: Restaurante Tu Pueblo

LOCATION: 6222-24 N. 43rd Avenue

ZONING: C-2

APPLICANT: Petra Navarrete

APPLICATION NO: 5-12067

SALES TAX AND LICENSE DIVISION
CITY OF GLENDALE, AZ

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13-151

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **12-19-13**

License Type: **Series 12 Restaurant**

Definition: Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

Application Type: **New License**

Definition: New License

Business Name: **Restaurante Tu Pueblo**

Business Address: **6222-24 W. 43rd Ave**

Applicant/s Information

Name: **Navarrete, Petra**
Name:
Name:
Name:

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 12/19/2008	Other Suites	New ownership call history beginning:
Liquor Related			
Vice Related			
Drug Related	1		
Fights / Assaults			
Robberies			
Burglary / Theft	6		
911 calls			
Trespassing	1		
Accidents	1		
Fraud / Forgery	2		
Threats	1		
Criminal damage	6		
Other non-criminal*	6		
Other criminal			
Total calls for service	**24**	**N/A**	**N/A - No Interim Permit**

* Other non-criminal includes calls such as suspicious persons, juveniles disturbing and other information only reports that required Police response or phone call.

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Applicant Background Synopsis:

None of the listed applicant(s) have any known felony convictions within the past five years or any other known criminal history that would lead to police department recommendation for denial.

Previous License Holder:

N/A

New License

Location History:

No significant Calls for Service history at this location.

Special Concerns:

None found.

Background investigation complete:

Police Department recommendation has No Cause for Denial.

		Date
Investigating Officer – M. Ervin	M. ERVIN	12-19-13
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee	[illegible]	12-19-13

CITY COUNCIL REPORT

Meeting Date: **1/28/2014**
Meeting Type: **Voting**
Title: **APPROVE LIQUOR LICENSE NO. 5-12358, EXPRESS FOOD MART**
Staff Contact: **Susan Matousek, Revenue Administrator**

Purpose and Recommended Action

This is a request for City Council to approve a new, non-transferable series 10 (Liquor Store - Beer and Wine) license for Express Food Mart located at 6445 North 51st Avenue, Suite 101. The Arizona Department of Liquor Licenses and Control application (No. 10076459) was submitted by Esho Kais.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

Background Summary

The location of the establishment is in the Cactus District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 18,227. Express Food Mart is currently operating with an interim permit, therefore, the approval of this license will not increase the number of liquor licenses in the area. The current number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
04	Wholesaler	1
06	Bar - All Liquor	2
07	Bar - Beer and Wine	2
09	Liquor Store - All Liquor	1
10	Liquor Store - Beer and Wine	10
12	Restaurant	5
14	Private Club	2
	Total	**23**

The City of Glendale Community and Economic Development, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

Community Benefit/Public Involvement

No public protests were received during the 20-day posting period.

CITY COUNCIL REPORT

Attachments

Finance Department Report

Map

Police Calls for Service Report

FINANCE DEPARTMENT REPORT

Meeting Date:	**1/28/2014**
To:	**Brenda S. Fischer, City Manager**
From:	**Susan Matousek, Revenue Administrator**
Title:	**APPROVE LIQUOR LICENSE NO. 5-12358, EXPRESS FOOD MART**

General Information

Request: New, Non-Transferable

License: Series 10 (Liquor Store - Beer and Wine)

Location: 6445 North 51st Avenue, Suite 101

District: Cactus

Zoned: C-2 (General Commercial)

Applicant: Esho Kais

Owner: Seven Rising Stars LLC

Background

1. The 60-day deadline for processing this license was January 28, 2014. A letter requesting an extension was sent to the Arizona Department of Liquor Licenses and Control on December 4, 2013.

2. The population density is 18,227 persons within a one-mile radius.

3. This business is within 300 feet of a church; however, they were grandfathered in 1987.

4. Express Food Mart is currently operating with an interim permit, therefore, the approval of this license will not increase the number of liquor licenses in the area.

Citizen Participation to Date

No protests were received during the 20-day posting period, December 10 through December 30, 2013.

Review/Analysis

In accordance with A.R.S. § 4-201(G), the applicant bears the burden of showing City Council that

public convenience requires that the best interest of the community will be substantially served by the issuance of a license. Council, when considering this new, non-transferable series 10 license, may take into consideration the applicant's capability, qualifications, and reliability.

The City of Glendale Community and Economic Development, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

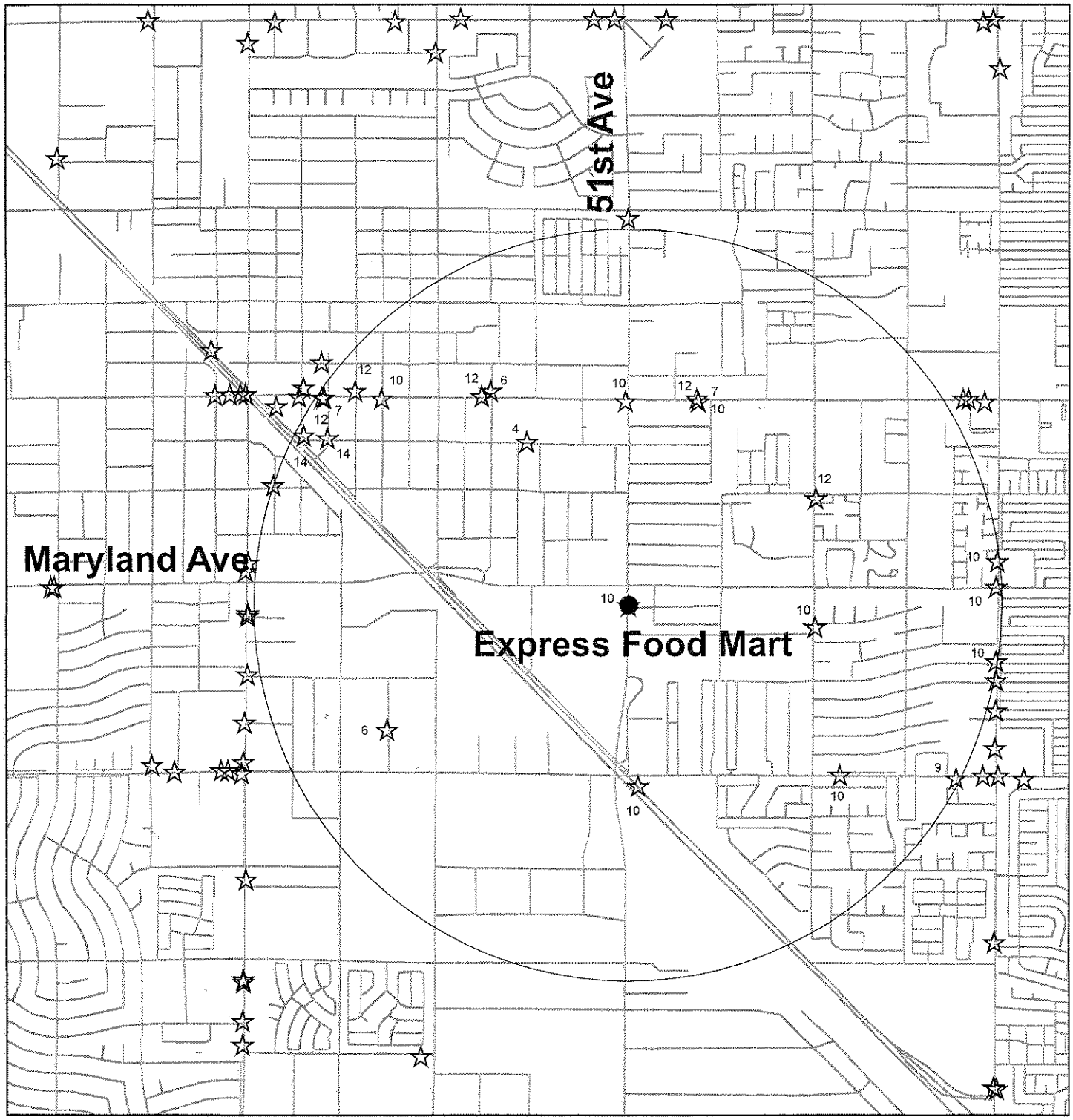
COMMUNITY AND ECONOMIC DEVELOPMENT: Approved the application with no comments.

POLICE DEPARTMENT: Recommended no cause for denial.

FIRE DEPARTMENT: Approved the application with no comments.

Staff Recommendation

It is staff's recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.



BUSINESS NAME: Express Food Mart

LOCATION: 6445 N. 51st Avenue, Suite 101 **ZONING:** C-2

APPLICANT: Esho Kais **APPLICATION NO:** 5-12358

SALES TAX AND LICENSE DIVISION
CITY OF GLENDALE, AZ

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GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **12-10-13**

License Type: **Series 10 Beer and Wine Store (Beer and Wine only)**

Definition: Allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

Application Type: **New License**

Definition: New License

Business Name: **Express Food Mart**

Business Address: **6445 N. 51st Ave. Ste 101**

Applicant/s Information

Name: **Kais, Esho**

Name:

Name:

Name:

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 12/10/2008	Other Suites	New ownership call history beginning: 11/29/2013
Liquor Related			
Vice Related			
Drug Related			
Fights / Assaults	2		
Robberies	1		
Burglary / Theft	5	4	
911 calls		2	
Trespassing	3	4	
Accidents			
Fraud / Forgery		1	
Threats	1		
Criminal damage			
Other non-criminal*	18	9	
Other criminal		2	
Total calls for service	**30**	**22**	**0**

* Other non-criminal includes calls such as suspicious persons, juveniles disturbing and other information only reports that required Police response or phone call.

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Applicant Background Synopsis:

None of the listed applicant(s) have any known felony convictions within the past five years or any other known criminal history that would lead to police department recommendation for denial.

Current License Holder:

Minh Huynh (Agent/Owner)

There are no known concerns with the current license holder.

Location History:

No significant Calls for Service history at this location.

Special Concerns:

None found.

Background investigation complete:

Police Department recommendation has No Cause for Denial.

		Date
Investigating Officer – M. Ervin	M. ERVIN	12-18-13
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee	R. S. Jon	12-19-13

CITY COUNCIL REPORT

Meeting Date: **1/28/2014**
Meeting Type: **Voting**
Title: **APPROVE LIQUOR LICENSE NO. 5-12365, IL PRIMO PIZZA & WINGS**
Staff Contact: **Susan Matousek, Revenue Administrator**

Purpose and Recommended Action

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license for IL Primo Pizza & Wings located at 6661 West Bell Road, Suite 101-102. The Arizona Department of Liquor Licenses and Control application (No. 12079726) was submitted by Michael J. Stallone.

Staff is requesting Council to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

Background Summary

The location of the establishment is in the Sahuaro District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 11,076. This series 12 is a new license, therefore, the approval of this license will increase the number of liquor licenses in the area by one. The current number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
06	Bar - All Liquor	6
07	Bar - Beer and Wine	1
09	Liquor Store - All Liquor	5
10	Liquor Store - Beer and Wine	5
12	Restaurant	14
	Total	**31**

The City of Glendale Community and Economic Development, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

Community Benefit/Public Involvement

No public protests were received during the 20-day posting period.

CITY COUNCIL REPORT

Attachments

Finance Department Report

Map

Police Calls for Service Report

FINANCE DEPARTMENT REPORT

Meeting Date:	**1/28/2014**
To:	**Brenda S. Fischer, City Manager**
From:	**Susan Matousek, Revenue Administrator**
Title:	**APPROVE LIQUOR LICENSE NO. 5-12365, IL PRIMO PIZZA & WINGS**

General Information

Request: New, Non-Transferable

License: Series 12 (Restaurant)

Location: 6661 West Bell Road, Suite 101-102

District: Sahuaro

Zoned: C-2 (General Commercial)

Applicant: Michael J. Stallone

Owner: IL Primo Pizza & Wings MJS, LLC

Background

1. The population density is 11,076 persons within a one-mile radius.

2. The 300 feet from any church or school rule does not apply to this series license.

3. This series 12 is a new license, therefore, the approval of this license will increase the number of liquor licenses in the area by one.

Citizen Participation to Date

No protests were received during the 20-day posting period, December 10 through December 30, 2013.

Review/Analysis

In accordance with A.R.S. § 4-201(G), the applicant bears the burden of showing City Council that public convenience requires that the best interest of the community will be substantially served by the issuance of a license. Council, when considering a new, non-transferable series 12 license, may take into consideration the location, as well as the applicant's capability, qualifications, and reliability.

The City of Glendale Community and Economic Development, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

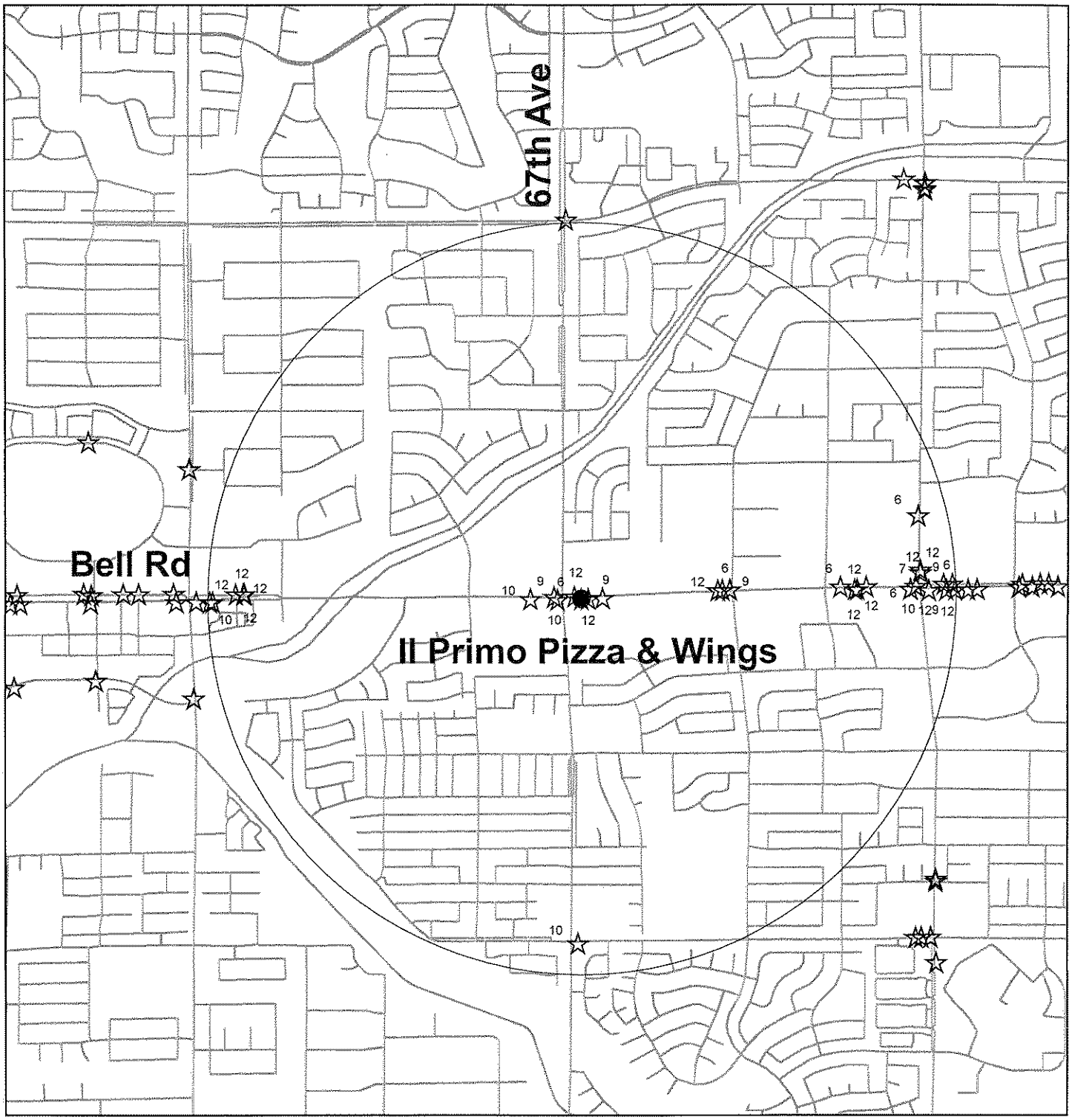
COMMUNITY AND ECONOMIC DEVELOPMENT: Approved the application with no comments.

POLICE DEPARTMENT: Recommended no cause for denial.

FIRE DEPARTMENT: Approved the application with no comments.

Staff Recommendation

It is staff's recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.



BUSINESS NAME: Il Primo Pizza & Wings

LOCATION: 6661 W. Bell Road, Suite 101-102 **ZONING:** C-2

APPLICANT: Michael J Stallone **APPLICATION NO:** 5-12365

SALES TAX AND LICENSE DIVISION
CITY OF GLENDALE, AZ

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13-146

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **12-11-13**

License Type: **Series 12 Restaurant**

Definition: Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

Application Type: **New License**

Definition: New license

Business Name: **IL Primo Pizza & Wings**

Business Address: **6661 W. Bell Rd. #101-102**

Applicant/s Information

Name: **Stallone, Michael J**

Name:

Name:

Name:

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 12/11/2008	Other Suites	New ownership call history beginning:
Liquor Related			
Vice Related			
Drug Related			
Fights / Assaults		1	
Robberies			
Burglary / Theft	3	8	
911 calls		1	
Trespassing		2	
Accidents		1	
Fraud / Forgery	1	1	
Threats			
Criminal damage		2	
Other non-criminal*	2	11	
Other criminal		3	
Total calls for service	**6**	**30**	**N/A**

* Other non-criminal includes calls such as suspicious persons, juveniles disturbing and other information only reports that required Police response or phone call.

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Applicant Background Synopsis:

None of the listed applicant(s) have any known felony convictions within the past five years or any other known criminal history that would lead to police department recommendation for denial.

Current License Holder:

N/A

Location History:

No significant Calls for Service history at this location.

Special Concerns:

None found.

Background investigation complete:

Police Department recommendation has No Cause for Denial.

		Date
Investigating Officer – M. Ervin	M. ERVIN	12-11-13
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee	5/13	12/12/2013

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO APPROVE A MAINTENANCE SUPPORT AGREEMENT WITH TCS AMERICA, INC. AND IMPRESSION TECHNOLOGY, INC. FOR THE TAX MANTRA SYSTEM**
Staff Contact:	**Tom Duensing, Executive Director, Financial Services**

Purpose and Recommended Action

This is a request for City Council to approve maintenance support with TCS America, Inc. for the Tax Mantra System for one year under Contract No. C-7108 for an amount not to exceed $151,719, and Impression Technology, Inc. for one year under Contract No. C-7132, C-7133, C-7133-1 for an amount not to exceed $49,503.

Background

On August 11, 2009, City Council awarded proposal 09-15 with TCS America, Inc. and Impression Technology, Inc. for the sales tax and license system software and the electronic document processing component. The city utilizes the sales tax and license software to manage taxpayer information, process tax returns and business license renewals, monitor outstanding receivables and delinquencies, and identify potential audit cases. Annual maintenance provides technical support, software updates and fixes, and upgrade rights. The proposal allows for maintenance support on an annual basis by mutual agreement. It is the city's desire to renew the maintenance support on an annual basis based on appropriation of funds.

Under the current contract with TCS America, Inc., the cost for one year of maintenance is $151,719 and covers the period of February 2014 through January 2015. Staff is currently in contact with TCS America, Inc. on a weekly basis to assist with system updates, fixes, and changes.

Under the current contract with Impression Technology, Inc., the cost for one year of maintenance is $44,503 and covers the period of May 10, 2014 through May 9, 2015; in addition, $5,000 contingency in the event additional licenses are needed to be purchased during this one-year period.

Analysis

TCS America, Inc. is the provider of the Tax Mantra software and currently provides the much needed maintenance and support. It is common in the software industry for the software maintenance to be provided only by the creator of the system as the software is proprietary and the firms tend not to license other companies to provide the services.

Impression Technology, Inc. provides the software that allows the scanning of sales tax documents and utility bill payments, which are then uploaded to the sales tax and utility billing systems daily and electronically deposits funds to the bank.

Previous Related Council Action

On February 12, 2013, City Council approved maintenance support expenditures for the Tax Mantra system for the period of February 2013 through January 2014.

On August 11, 2009, City Council awarded proposal 09-15 (Contract No. C-7108) with TCS America Inc. for the sales tax and license system software and the electronic document processing component. The proposal term allows for the continuation of maintenance annually upon mutual agreement by both parties.

Community Benefit/Public Involvement

The Tax Mantra system captures taxpayer account information, tracks tax return filings and payments, delinquencies, and licensing and business information.

Budget and Financial Impacts

Cost	Fund-Department-Account
$151,719	**1140-11530-522700, Technology Replacement Fund**
$29,701.80	**1000-11340-518200, License/Collection**
$19,801.80	**2360-17020-518200, Customer Service Office**

Capital Expense? Yes ☐ No ☒

Budgeted? Yes ☒ No ☐

Requesting Budget or Appropriation Transfer? Yes ☐ No ☒

Attachments

Agreement: C-7108

Agreements: C-7133, C-7133-1, C-7132

C-7108
11/13/2009

CITY CLERK
ORIGINAL

TAX MANTRA MASTER SERVICES AGREEMENT

BETWEEN

TATA AMERICA INTERNATIONAL CORPORATION

OPERATING AS TCS AMERICA
[Collectively, "Company"]

AND

CITY OF GLENDALE, ARIZONA
["City"]

EFFECTIVE AS OF

November 10th, 2009

TAX MANTRA MASTER SERVICES AGREEMENT

THIS TAX MANTRA MASTER SERVICES AGREEMENT ("**Agreement**") is entered into and effective as of November ___, 2009 ("**Effective Date**") by and between the City of Glendale, Arizona, an Arizona municipal corporation ("**City**"), and Tata America International Corporation, operating as TCS America, a New York corporation, with its offices located at 101 Park Avenue, New York, New York 10178, representing itself and its corporate parent Tata Consultancy Services Limited, a company registered under the laws of the Republic of India, having its principal offices at Air India Building, 11th Floor, Nariman Point, Mumbai 400 021, India ("**Company**"). City and Company are individually referred to as a ("**Party**") and collectively as ("**Parties**") throughout this Agreement, and the words Party and Parties shall be construed accordingly.

I. RECITALS

WHEREAS, in May 2009, City issued Request for Proposal ("RFP") No. 09-15-Revised for a Tax and License Information System (TALIS) to replace its existing Tax License Revenue (TLR) System; and

WHEREAS, on June 4, 2009, Company submitted its proposal ("Proposal") to the City for the TALIS project as described in RFP No. 09-15-Revised; and

WHEREAS, with approval of its City Council, City has selected Company to provide City with the TCS TAX MANTRA Software solution to replace City's tax and license information system; and

WHEREAS, Company and City are Parties to the certain TAX MANTRA Software License Agreement ("License Agreement") dated the Effective Date of this Agreement, pursuant to which Company has granted license to City for Company's Licensed Software and other Licensed Material on the terms and conditions set forth in the License Agreement; and

WHEREAS, City desires to obtain from Company, and Company is willing to provide to City, professional services for all customization, development, implementation, training, maintenance and support services relating to City's implementation of Licensed Software and other licensed material upon the terms and conditions set forth in this Agreement and the other Contract Documents.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

II. AGREEMENT

1. DEFINITIONS.

1.1 Capitalized terms used in this Agreement which are not specifically defined in this Agreement but defined in the License shall have the meaning given in the License. In addition, the following capitalized terms shall have the meaning set forth below for all purposes of this Agreement:

(a) "**Acceptance**" shall mean, with respect to any Company Deliverables, the acceptance of such Company Deliverables by City as being in compliance with the applicable Acceptance Criteria as determined in accordance with the Acceptance Tests and in accordance with Article 3.

(b) "**Acceptance Criteria**" shall mean, as applicable, the acceptance criteria mutually agreed to between the Company and City in the Statement of Work applicable to the Company Deliverables to which such criteria relate.

(c) "**Acceptance Tests**" shall mean the procedure for determining Acceptance of applicable Company Deliverables as set out in Article 3 of the Agreement and the applicable Statement of Work.

(d) "**Agreement**" shall mean this Agreement including all Schedules attached hereto, all Statements of Work and attachments and exhibits to such Statements of Work. Agreement will also include Contract Documents as and to the extent they are relevant to the Statement of Work.

(e) "**Contract Documents**" shall mean the Parties' TAX MANTRA Software License Agreement, Company's Proposal for Tax and License Information System dated June 4, 2009, and City's RFP No. 09-15-Revised.

(f) "**Documentation**" shall mean the User Manual, Installation Manual, Training Manual and any additional documentation that is described in the Initial Statement of Work or otherwise agreed and identified in any Statement of Work ("SOW") executed pursuant to this Agreement.

(g) "**Initial Statement of Work**" shall mean the Statement of Work attached in Schedule A hereto, for the Services to be provided by Company in connection with delivery, installation, implementation, customization and testing of Company's Licensed

Software as customized in accordance with the Specifications and requirements set forth in the Contract Documents.

(h) "**Maintenance Fees**" shall mean the costs associated with the levels of support specified in Appendix E – Project Cost of the Initial Statement of Work and the Support Plan for Annual Maintenance Contract for City of Glendale (Schedule B).

(i) "**Maintenance Period**" shall mean the annual period during which Company is required to provide the Maintenance Services to City under this Agreement.

(j) "**Maintenance Services**" shall mean the maintenance and support services described in the Support Plan for Annual Maintenance Contract for the City of Glendale attached in Schedule B hereto.

(k) "**Project**" shall mean a project for the performance of Services and delivery of Company Deliverables as described in an applicable Statement of Work under this Agreement (including any schedule, exhibit or appendices to the Statement of Work, whether now existing or subsequently executed by the Parties), and shall include those Statement of Work for Services relating to enhancement, implementation, maintenance, and production support of the Licensed Material.

(l) "**Services**" shall mean professional services of the Company relating to enhancements, customization, implementation, testing support, or production support of Licensed Material, as more particularly described in each relevant Statement of Work. Services also includes Maintenance Services when the context so requires.

(m) "**Services Fee**" shall mean: (i) the fixed amount of fees set forth in a Statement of Work, where Services under such SOW are agreed by the Parties to be performed by Company on a fixed fee basis; and (ii) the amount of fees determined in accordance with the rates set forth in the applicable Statement of Work in all other cases.

(n) "**Specifications**" shall mean: (i) with respect to the Company Deliverables under the Initial Statement of Work, the functional and technical requirements identified in the Initial Statement of Work and Contract Documents; and (ii) with respect to any other Company Deliverables, the requirements identified in the applicable Statement of Work and Contract Documents; in each case as such requirements may be modified by mutual agreement of the Parties in accordance with the Change Control Procedure set forth in Section 2.2.

(o) "**Statement of Work**" or "**SOW**" means a work order or other similar document executed by the Parties pursuant to the terms of this Agreement.

(p) "**Warranty Period**" means: (i) with respect to Software Deliverables under the Initial Statement of Work, the period of one (1) year commencing on the date of final Acceptance; and (ii) with respect to any other Company Deliverable, the warranty period, if any, identified and agreed for such Company Deliverable under the applicable Statement of Work.

1.2 Interpretations.

(a) Where any payment falls due for payment on a non-Business Day, then payment shall be made by the paying Party on the next succeeding Business Day.

(b) Reference to a person includes any individual, firm, body corporate, association (whether incorporated or not) and authority or agency (whether government, semi-government or local).

(c) The singular includes the plural and vice versa.

(d) A reference to any documents or agreements (and, where applicable, any of their respective provisions) means those documents or agreements as amended, notated, supplemented or replaced from time to time providing they are amended, notated, supplemented or replaced in the manner envisaged in the relevant documents or agreements.

(e) A reference to any statute, regulation, rule or other legislative provision includes any amendment to the statutory modification or re-enactment or, legislative provisions substituted for, and any statutory instrument issued under that statute, regulation, rule or other legislative provision.

(f) Reference to a Party includes that Party's employees, agents or consultants.

(g) The term "or" shall include the conjugate form so that where appropriate, the use of the term "or" should be interpreted as "and/or."

1.3 Recitals and Priority of Contract Documents. The Recitals set forth above, the Initial Statement of Work and attachments and exhibits thereto, the Support Plan for Annual

Maintenance Contract for City of Glendale, Company's Proposal for Tax and License Information Systems (dated June 4, 2009) and City's RFP No. 09-15-Revised are fully incorporated into this Agreement by this reference. In the event of any conflict among the Contract Documents, the documents comprising the Contract Documents will control in the following order:

(a) This Agreement and its schedules, exhibits and appendices, except that the provisions of the TAX MANTRA Software License Agreement shall prevail with respect to any matters relating to scope of license, ownership of Intellectual Property and Intellectual Property Rights, confidentiality obligations, limitation of liability and indemnification obligations.

(b) The Initial Statement of Work and all attachments and exhibits thereto.

(c) The Support Plan for Annual Maintenance Contract for City of Glendale and all attachments and exhibits thereto.

(d) TAX MANTRA Software License Agreement (other than as stated in 1.3.1).

(e) Company's Proposal (dated June 4, 2009) for Tax and License Information System.

(f) City's RFP No. 09-15-Revised.

1.3.7 The failure of this Agreement to include any reference to any matter contained in any other Contract Document shall not be deemed a conflict.

2. SERVICES.

2.1 Services Generally. Company and City agree that any Services related to the implementation as well as any additional services related to the Licensed Material as more particularly described in each relevant Statement of Work, will be provided by Company in accordance with the provisions set forth in this Article 2.

2.2 Change Control Procedure. The baseline for determining the applicability of the Change Control Procedure with respect to a Statement of Work shall be the scope and description of Services, Company Deliverables and Specifications (if applicable) as described in such Statement of Work. If City or Company makes any proposal for any change, alteration or

modification (a "**Change Request**") of the agreed Specifications or scope of Services and Company Deliverables in a Statement of Work, as soon as practicable after Company's receipt of a Change Request from City, or if Company on its own desires to propose a Change Request, Company shall prepare and submit to City a written change order proposal. Such change order proposal shall include terms and conditions proposed by Company in order to implement the Change Request as soon as reasonably practicable. Such terms and conditions shall include, without limitation, a description of the requested change (the "**Change**") and an estimate of: (i) additional fees and Expenses payable by City to Company as a result of the implementation of the Change Request; and (ii) any expected impact, if any, the Change Request shall have on the Project schedule. On City's written approval of the change order proposal, the approved change order proposal ("**Change Order**") shall become effective, and Company shall take such steps as are necessary to implement the Change Order. No Change to this Agreement or a Statement of Work shall be binding on the Parties unless the Change is embodied in a written Change Order. Each of City and Company, acting reasonably, shall negotiate the terms and conditions of any Change Request with a view to reaching agreement on such terms and conditions and executing and delivering a Change Order as soon as practicable. Parties agree to use the change request form set forth in Appendix F to Schedule A hereto, for the Change Control Procedure described in this Section 2.2.

2.3 Executive Contact and Escalation Working Group. The City and Company shall each appoint an "Executive Contact" who shall be the person responsible for addressing relationship issues between the Parties and shall participate in the dispute resolution procedures described in Article 10. Each Executive Contact shall possess or be able to obtain the requisite corporate power and authority to negotiate, subject to the approval of the City Council or City Manager when required by law (e.g. contract amendment, disbursement of funds in excess of that previously authorized) and implement on behalf of the applicable Party, a settlement of any dispute between the Parties hereunder that is brought to its attention to resolve. The initial Executive Contact for City shall be Horatio Skeete, and the initial Executive Contact for Company shall be Ravi Nandivada, US Government Delivery Executive TCS. City and Company shall each have the right from time to time, and upon prior written notice to the other Party, to change their respective Executive Contact by written notice provided to the other Party. Representatives of the Parties filling the position of Executive Contact during the relevant period shall automatically become members of the Escalation Working Group. The Escalation Working Group shall consist of equal number of representatives from Company and City consisting of: (i) the Executive Contacts of the Parties; (ii) Susan Matousek, Diane Goke, and Diana Bundschuh of City; and (iii) Bob Carberry, Rohit Srivastava, and Atul Srivastava of Company. Each of

Company and City shall have the right from time to time upon a reasonable prior written notice to the other Party, to appoint a successor to its then current member(s) of the Escalation Working Group, provided that the replacement is of equal or higher rank. The Escalation Working Group will meet only as necessary to resolve disputes between both parties when such disputes cannot be mutually resolved between the Executive Contacts. Decisions shall be made by majority vote; provided, however, that such vote shall not be effective unless: (i) an equal number of voting committee members from each side are present in person or are participating by telephone or videoconference; or (ii) votes in favor or against constitute a majority of the votes of the total voting members of both Parties. Notwithstanding the foregoing, no decision of the Escalation Working Group will be effective to amend this Agreement unless embodied in a written amendment executed by the Parties in accordance with Section 12.5, or to effect any change that would be required to be embodied in a Change Request and Change Order under Section 2.2.

2.4 Project and Relationship Management.

(a) The Project Manager will be Company's principal representative in connection with the performance and management of the Services and delivery of the Company Deliverables under the relevant SOW. The Project Manager is authorized to act for and bind Company in all matters pertaining to the Services and Company Deliverables, except for amendments to this Agreement or the applicable Statement of Work, which must be signed by an authorized signatory of Company. Company will not change the Project Manager without City's prior written consent, such consent not to be unreasonably withheld, unless the Project Manager becomes unavailable due to death, disability, illness, termination of employment or other cause beyond Company's control.

(b) City, by prior written notice to Company, shall appoint a person as the Project Director in connection with the Initial Statement of Work and subsequent Statement(s) of Work. The Project Director is authorized to act for and bind City in all matters pertaining to this Agreement, except for amendments, which must be signed by an authorized signatory of City. City, by prior written notice to Company, may revoke any appointment made under this subsection 2.4(b) and appoint another person as the Project Director.

(c) The Project Manager and Project Director will organize and hold weekly meetings of the Project teams to review the progress of the Services, Company Deliverables and City Deliverables against the Project timeline, to discuss issues and challenges, and for such other purposes as the Project Manager and Project Director may

determine.

(d) The Company and City will each appoint a Relationship Manager who will be their respective primary contacts in managing the ongoing relationship under this Agreement. Each Party's Relationship Manager is authorized to act for and bind that Party in all matters pertaining to this Agreement, except for amendments, which must be signed by an authorized signatory of that Party. Company will not change its Relationship Manager without City's prior written consent, such consent not to be unreasonably withheld, unless the Party's Relationship Manager becomes unavailable due to death, disability, illness, termination of employment or other cause beyond the Party's control. City may change its Relationship Manager and will provide Company notice of the change.

2.5 Reports. Company will require its Project Manager to submit written reports on the progress of the Project (including with respect to the progress of the Company Deliverables and the identification of problems) to the Project Director on a weekly basis and other reports on such other matters as are determined by the Project Manager and Project Director at a mutually agreed-upon frequency. Company shall provide any additional reports that may be reasonably requested by City from time to time. The format and details to be included in such reports will be as specified by the Project Director, acting reasonably.

2.6 Company Facilities; Security Procedures.

(a) Company shall perform the Services from Company's facilities in India specified below ("**Offshore Locations**") except for those Services that it will perform onsite at City's locations as described in this Agreement. Company will not perform Services from any other location without first obtaining the written consent of City. Company is responsible for providing all required office space, equipment, and other facilities, reasonably necessary to perform the Services to be performed at Offshore Locations. City will be responsible to provide access to City technical environment relevant to the performance of the Services, such as documentation, data, information and computer programs, all access being restricted to the extent relevant to the Services to be performed by Company.

(b) Company will perform the Offshore Services at the following Offshore Location and reserves the right to change the Location upon prior written notice to the City:

TATA Consultancy Services Limited,
154 B, Block A,
Sector 63, Phase III,
Noida - 201301, UP
India

2.7 Use of City Facilities. With respect to those Services that Company proposes to perform onsite, Company shall perform such Services at City's facilities, 5850 W. Glendale Avenue, Glendale, AZ 85301, and such other City facilities that are specified by City and mutually agreed-to by the Parties ("**Onsite Services**"). With respect to Onsite Services, City shall be responsible to provide, at no cost to Company, an appropriate work environment including without limitation, office space, equipment, computer resources, facilities and communication facilities (phone, fax, internet access etc.) reasonably required for Company personnel to perform the onsite activity at City facilities. The foregoing shall be provided by City as reasonably necessary for the performance of the Services. City shall provide access to its premises and systems, during its normal business hours, as reasonably necessary for the Onsite Services being provided by Company. Company shall use City's facilities and resources solely for the purpose of performing Onsite Services for City. Company shall ensure that all Company Personnel comply with all of City's work environment regulations and security requirements.

2.8 Communication Link (FTP Access).

(a) City shall provide at its cost a communication link involving File Transfer Protocol ("**FTP**") access (including associated software and equipment) between City's designated location(s) and Company's Offshore Location for use by City, Company's onsite Personnel and Company's offshore Personnel solely in connection with the Services under this Agreement.

(b) Company will be responsible for complying with City's security standards provided to Company by City with respect to access to City's network, computer systems and data, and will implement adequate security measures to prevent unauthorized use or access to City's network, computer systems or data by Company's Personnel.

(c) Company will be required to notify City of the security measures taken to prevent unauthorized use or access to Citys' network, computer systems or data.

2.9 Company Personnel.

(a) The individuals assigned by Company to perform the Services

("**Personnel**") shall have appropriate technical and professional skills to enable them to perform their duties in a professional manner, consistent with generally accepted industry standards. The Personnel shall perform their assignments under the direction of the Company. Upon a request, the City may seek removal of any of the Personnel engaged for Onsite Services from performing the Services if any such personnel is found to have indulged in unacceptable conduct, and Company if satisfied with the reasons assigned to such request, shall make reasonable efforts to replace such individual within a reasonable time, with a person having appropriate technical and professional skills required to perform the Services.

(b) While at City's facilities, all Personnel assigned by Company to perform the Onsite Services shall strictly abide by all applicable rules, regulations, and policies concerning such matters as health, security, safety, conduct and workplace rules and requirements provided that Company is informed of such rules, regulations and policies.

(c) Security Measures. The parties acknowledge that security measures required in this Section are necessary in order to preserve and protect the public health, safety and welfare. In addition to the specific measures set forth below, Company shall take such other measures as it deems reasonable and necessary to further preserve and protect the public health, safety and welfare.

(d) Security Inquiries. Company acknowledges that all of the Personnel that it provides pursuant to this Agreement shall, at the request of the City, be subject to background and security checks and screening at City's cost ("**Security Inquiries**"). Company shall perform all such security inquiries and shall make the results available to the City for all Personnel considered for performing work (including supervision and oversight) under this Agreement. The City may make further security inquiries at their own cost. The Company agrees not to engage Personnel that do not successfully pass through the Security Inquiries, to render any Services to the City.

2.10 Third Party Components.

(a) The applicable Statement of Work (as the same may be amended during the term of such Statement of Work by mutual agreement of the Parties) shall specify any third party products or materials to be incorporated into any Company Deliverables ("**Third Party Components**"). Procurement, setting up and maintenance of Target Environment shall be the responsibility solely of the City. Notwithstanding the

foregoing, in the event that Company cannot at the time of the execution of the applicable Statement of Work determine whether any Third Party Component is required to be incorporated into a Company Deliverables, Company shall, as early as possible, but prior to the incorporation of any such Third Party Component into a Company Deliverable or other work product, notify City and obtain City's written approval for incorporation of such Third Party Component.

(b) Unless otherwise agreed in the Agreement or a Statement of Work, any and all consents and licenses required for use or incorporation of any Third Party Components shall be procured and provided by City with reasonable assistance from Company, at City's cost and expense.

2.11 City Personnel Availability. City will use reasonable efforts to ensure that appropriate City personnel are available as required to facilitate or enable Company's performance under this Agreement and applicable Statement of Work.

2.12 Delay Caused by City. Company shall not be responsible for any failure to meet the timetable and deadlines set out in the Statement of Work caused by anything done or failed to be done by City, and all dates by which Company is required to perform any obligation under the Statement of Work will be deemed to be changed to a subsequent date determined by the Parties, each acting reasonably and taking into account the availability of the required Company resources, and such change (including the additional cost, if any, payable by City as a result of such delay) shall be implemented pursuant to the Change Control Procedure in Section 2.2.

2.13 Maintenance Services.

(a) As long as this Agreement is in effect, Company will provide to City, and City will purchase from Company, Maintenance Services during the initial Maintenance Period commencing on the first day after the Warranty Period under the Initial Statement of Work and ending two (2) years thereafter (Year 1 and 2) and continuing for a further three (3) successive Maintenance Periods (Years 3-5), all as provided in the Support Plan for Annual Maintenance Contract for City of Glendale. Thereafter, City will have the option of purchasing Maintenance Services from Company for additional five (5) year Maintenance Periods in accordance with this Section 2.13.

(b) The fees for Maintenance Services ("**Maintenance Fees**") shall be as set forth in or calculated in accordance with the Support Plan for Annual Maintenance Contract for City of Glendale and the Initial Statement of Work. For each Maintenance

Period after the first five year optional Maintenance Period, such Maintenance may be continued by mutual consent, at a cost to be negotiated, and City may exercise its option to purchase an additional five (5) year Maintenance Services for that Maintenance Period by notice to Company any time prior to the commencement of that Maintenance Period. City and Company have listed in the Statement of Work at Section 12, the agreed to Maintenance Fees for the Initial Term of the Contract (seven (7) years), the first five (5) years optional Maintenance period, and any subsequent five (5) year option periods.

2.14 Additional Services. City may request Company to provide additional services relating to the Licensed Material. If such requests are made prior to final Acceptance of the Company Deliverables under the Initial Statement of Work, Company and City will mutually determine whether such request is a change in scope to be handled in accordance with Section 2.2 or whether such request should be handled as a separate project under a separate Statement of Work under this Agreement. If City makes any request for additional Services after the final Acceptance that are not part of the Services under the Initial Statement of Work or the Maintenance Services, including any City specific Enhancements of the Licensed Material, and unless otherwise agreed by City and Company, Company will provide such additional Services pursuant to a separate Statement of Work at the time and materials rate to be mutually agreed by the Parties.

3. COMPANY DELIVERABLES.

3.1 Delivery, Review and Acceptance of Non-Software Deliverables.

(a) The review and acceptance by City of the Company Deliverables that are not software ("**Non-Software Deliverables**" or "**NSD**") identified in any Statement of Work shall be based upon whether or not they conform to the Specifications, if any, in the applicable Statement of Work ("**NSD Acceptance Criteria**"). Unless a different period is set forth in the applicable Statement of Work, City shall review each Non-Software Deliverable within five (5) Business Days after the delivery of the applicable Non-Software Deliverable ("**NSD Review and Testing Period**"). City will notify Company in writing if City reasonably determines that such Non-Software Deliverable does not conform to the NSD Acceptance Criteria (a "**NSD Non-Conformity**") with reasonable details of such NSD Non-Conformity. Company shall correct the NSD Non-Conformity within fifteen (15) Business Days after Company's receipt of such notification and shall provide City with the corrected Non-Software Deliverable, upon receipt of which the NSD Review and Testing Period will recommence and the foregoing

procedure shall apply to the corrected Non-Software Deliverable.

(b) City shall not be required to accept any Non-Software Deliverable unless Company has corrected all NSD Non-Conformities reported by City during the NSD Review and Testing Period. If City does not notify Company of a NSD Non-Conformity before the end of the initial NSD Review and Testing Period, or at the end of a further NSD Review and Testing Period after redelivery of the corrected Non-Software Deliverable, the Non-Software Deliverable shall be deemed accepted and signed-off. Complete or partial commencement of the processing of its operations by the City using all or part of the Non-Software Deliverable shall be deemed to be immediate acceptance of all the Deliverable.

3.2 Delivery, Review and Acceptance of Software Deliverables. City shall be responsible to set up and make available the computer equipment, software and system that conforms to the Target Environment and to provide all City Deliverables in accordance with the Project plan. Company shall deliver Company Deliverables that are software deliverables as identified in the applicable Statement of Work ("**Software Deliverables**" or "**SD**") on suitable media and upon request by City shall reasonably assist City to install the Software Deliverables in the Target Environment. City shall be responsible to review and conduct acceptance testing prior to its acceptance of the Software Deliverables in accordance with Section 3.3. Company will provide assistance and support in installation and City's review and acceptance testing as described in the applicable Acceptance Test Plan or in the Statement of Work.

3.3 Review and Testing of Software Deliverables. City shall provide the applicable test cases and test plan and test data to Company as per the Project plan. Upon completion and delivery of each Software Deliverable (the "**Commencement Date**"), City shall promptly begin its review and, if appropriate, test each Software Deliverable to determine whether it conforms to the Specifications or other mutually agreed acceptance criteria (the "**SD Acceptance Criteria**"). City shall promptly provide written acceptance of the Software Deliverable if City has not found any non-conformity of the Software Deliverable with the SD Acceptance Criteria during the SD Review and Testing Period. If City reasonably determines that the Software Deliverable has not met the SD Acceptance Criteria, City shall notify Company in writing of any such non-conformity (each, a "**SD Non-Conformity**") within the period of time following the Commencement Date specified in the Project plan or, if no period is specified therein, within the thirty (30) days following the Commencement Date (the "**SD Review and Testing Period**") along with reasonable details of the SD Non-Conformities.

3.4 Correction of SD Non-Conformities. Company shall promptly remedy each SD Non-Conformity that is reported by City in writing during the SD Review and Testing Period, as soon as possible but no later than the time as is specified in the Project plan or, if not specified therein, no later than thirty (30) days after Company's receipt of City's report identifying the SD Non-Conformity. Upon receipt by City of the corrected Software Deliverable to address the reported SD Non-Conformities, the SD Review and Testing Period will recommence and City shall review and, if appropriate, test the revised Software Deliverable in accordance with the provisions of Section 3.3.

3.5 Acceptance of Software Deliverables. Acceptance of a Software Deliverable shall be considered to have occurred when City provides written notification of acceptance during the SD Review and Testing Period or if City has not notified Company of any SD Non-Conformities during the SD Review and Testing Period. Complete or partial commencement of the processing of its operations by the City using all or part of the Software Deliverable shall be deemed to be immediate acceptance of all the Deliverable.

3.6 Alternate or Amended Acceptance Procedures. The Parties may, in respect of the Company Deliverables to be provided by Company under a Statement of Work, adopt alternate acceptance procedures or amend the acceptance procedures set out in this Article 3 in respect of those Company Deliverables by setting out such alternate acceptance procedures or amendments in the Statement of Work.

4. FEES, EXPENSES, TAXES, INVOICING AND PAYMENT.

4.1 Services Fee. City shall pay Company the Services Fee in accordance with the Fees set forth in the applicable Statement of Work for the Services under such Statement of Work and any Change Order applicable thereto.

4.2 Expenses. With respect to any Personnel assigned to work onsite at a City location, if such Personnel is required to travel outside the City of Glendale limits, City shall pay or reimburse Company for actual travel expenses reasonably incurred by the Personnel in connection with such travel; provided that such travel was approved in advance by the Project Director and expenses conform to City's travel expense guidelines.

4.3 Taxes. City shall be responsible for any sales, use, value added, excise, service or other similar taxes that may be imposed by any applicable taxing jurisdictions upon City or Company based on or measured by the Services or Company Deliverables provided to City hereunder or the Services Fee or License Fee paid hereunder. Company agrees to separately

itemize such taxes on its invoices to City and to remit the tax amounts received from City to the appropriate taxing authority. Company shall be solely responsible for any corporate taxes and income taxes based upon the income or revenue of Company. The City is exempt from Federal Excise Tax and will furnish an Exemption Certificate upon Company's request.

4.4 Invoices and Payment. Company shall submit invoices along with Project Deliverables for the Services Fee in accordance with the payment schedule set forth in the applicable Statement of Work or an applicable Change Order. Payment of invoices shall be made by City to Company within 45 days following receipt of each such invoice and Project Deliverable; provided that City may withhold payment of any amounts that are reasonably disputed by City pending resolution of the dispute. In the event that City reasonably disputes any amount invoiced by Company, City shall notify Company of City's reasons for disputing the amount as soon as possible but within 10 days after receipt of applicable invoice, whereupon City and Company shall promptly seek to resolve the dispute by mutual discussion. Any such dispute shall not relieve City from paying when due any undisputed portion of the invoice. The approval or payment of invoices, including final payment, shall not otherwise operate as a waiver of any rights or remedies of City under this Agreement or the Parties' TAX MANTRA Software License Agreement, including but not limited to any of City's separate warranty rights, or a waiver of any cause of action in favor of City arising out of Company's performance of services.

4.5 Records. Company shall maintain and retain all books, accounts, reports, files and other records and supporting documentation relating to the Services provided to, and any fees and Expenses paid or payable by, City under this Agreement. All such records and documents shall be subject at all reasonable times to inspection and audit by City for five (5) years after final Acceptance or, in the case of Maintenance Services, after termination or expiration of the annual Maintenance period. Company shall make available such records upon request by the City to the City auditors at the Company Location. All such documents and records shall be maintained in English. Upon City's request during the term of the Agreement or upon the termination or after the termination of the Agreement, for so long as the records subject to record retention obligations under this Section 4.5 have not previously been delivered to City, Company will turn over to City all such records and supporting documentation, and upon such delivery, Company shall be relieved of its obligation to retain the records. Company reserves the right to turn over to City at any time after final Acceptance, but upon reasonable prior written notice to City, all such records and supporting documentation that are subject to this Section 4.5 and which have not been previously delivered to City and upon such delivery, Company shall be relieved of its obligation to retain the records. No audit of records and documentation relating to

the calculation of fees and Expenses payable by City under this Agreement shall apply to payments made more than five (5) years prior to the audit. If any such audit reveals a miscalculation of fees or Expenses, City will provide a copy of the auditor's report to Company, and any overpayment or underpayment will promptly be adjusted between Company and City.

5. CERTAIN REPRESENTATIONS, WARRANTIES AND COVENANTS.

5.1 Mutual Representations, Warranties and Covenants. Each Party represents, warrants and covenants to the other that:

(a) This Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy laws and other similar laws affecting creditors' rights generally and by general principles of equity;

(b) The execution, delivery and performance of this Agreement by it does not and will not conflict with, or constitute a breach or default under, its charter documents or any agreement, contract, commitment or instrument to which it is a party; and

(c) There is no action or proceeding pending or, in so far as it knows or ought to know, threatened in writing against it before any court, administrative agency or other tribunal that: (i) could impact upon its right, power and authority to enter into this Agreement, to grant the rights and licenses granted by it to the other Party hereunder, or to otherwise carry out its obligations hereunder; or (ii) might have a material adverse effect on its business or condition, financial or otherwise, that would materially impact a Party's ability to perform under this Agreement.

5.2 Company's General Warranties and Covenants. Company represents, warrants and covenants to City that the Services performed by Company hereunder shall be of professional quality, consistent with generally accepted industry standards for work of a similar nature.

5.3 Company's Licensed Software Warranties and Covenants.

(a) Company represents, warrants and covenants to City that, except as agreed by the Parties as part of the Specifications, Company shall not intentionally introduce in any Company Deliverable any lock, clock, timer, counter, copy protection feature, replication device, monitoring code or other features that are intended to permit

Company to monitor the activities of the system without City's knowledge and consent, and shall before delivery, screen the Company Deliverables using industry standard virus detection software or tools to detect and prevent any "virus" or "worm," as those terms are commonly used in the computer industry, or other software code that may: (i) disable or erase any Company Deliverable, or any other software, programs, hardware, firmware, or data of City, a Permitted Affiliate, Authorized User or any of customers of City, a Permitted Affiliate; or (ii) prevent City, a Permitted Affiliate, Authorized User from fully using any Company Deliverable as permitted under this Agreement. If Company is in breach of its warranty in this subsection 5.3(a) for reasons solely attributable to the Company, Company shall without additional charge to City, promptly remove the virus, worm or other feature from the infected Company Deliverable or replace the infected Company Deliverable with a copy containing no virus, worm or other feature.

(b) Company represents, warrants and covenants to City that, if properly used in the Target Environment in accordance with the Documentation and the terms and conditions of this Agreement, during the Warranty Period the Licensed Material shall comply with, and achieve the performance and functionality in accordance with, the Specifications and Documentation. City agrees to promptly notify Company in writing immediately upon discovery of any error or non-conformance of the Licensed Material. Company will promptly correct or replace any error or defect in the Licensed Material reported by City during the Warranty Period in accordance with the standards set forth in the applicable Statement of Work, but without any charges to City for such correction or replacement. Any other Services requested by City during the Warranty Period shall be charged to City on a time and material basis in accordance with the rates set forth in the applicable Statement of Work. If defects or non-conformance arise, as determined by a diagnostic analysis, due to City's negligence or improper use of the Licensed Material, Company shall be entitled to charge City for any efforts expended by Company for correction of errors and defects, even if they arise during the Warranty Period.

5.4 City's Warranties and Covenants. City represents, warrants and covenants to Company that:

(a) City is responsible for selecting, operating and using the Licensed Software as delivered by Company and accepted by City and for the results achieved therewith. City shall also be responsible for the installation, use and maintenance of the Target Environment. City shall take reasonable precautions against loss of data due to any error or non-conformity in the operation or working of the Licensed Software

including without limitation, emergency procedures, data protection, regular back-up of data, virus checks, and regular checks of results.

(b) City has the rights and is otherwise authorized to deliver the City Deliverables and City Proprietary Material and to grant the rights and licenses to Company as set forth in this Agreement. City has not received any written notice or claim, and is not otherwise aware, that the City Deliverables and City Proprietary Material and the use thereof by Company in accordance with the terms of this Agreement infringes or misappropriates, or would infringe or misappropriate, the patent, copyright, trademark, trade secret or other Intellectual Property Rights of any third party.

5.5 Warranty Disclaimers.

(a) Except for the express representations and warranties contained in this agreement, neither company nor City makes any representations or warranties to the other, express or implied including, without limitation, any implied warranties of merchantability or fitness for a particular purpose. All other representations and warranties are hereby disclaimed.

(b) Further, Company does not represent or warrant that any of its respective Deliverables provided under this Agreement functions without interruption and without error or that such Deliverable will operate in every combination desired by the City with any data, computer systems and programs of its choice or that the remedying of one program error does not result in the occurrence of other program errors. Company shall be released from its warranty obligations under Sections 5.2 and 5.3 to the extent that any infringement, errors, fault or non-compliance arises due to circumstances for which Company was not responsible, including without limitation: (i) modification of the Licensed Material or Company Deliverables after delivery to City, if such modification was not made or authorized by Company; or (ii) use of the Licensed Material or Company Deliverable contrary to the Documentation provided by Company; or (iii) use of the Licensed Material or Company Deliverables other than in Target Environment or use of the Licensed Material or Company Deliverable in combination with products and systems not contemplated in the applicable Documentation or Specification; or (iv) infringing element or defects contained in any City Deliverable or City Proprietary Material provided to Company in connection with the Services hereunder. Further, Company shall not be considered to be in breach of the warranties to the extent that Company offered to City a correction or Upgrade and City failed to implement such

correction or Upgrade. In such cases, the work put in by the Company in order to determine the cause of the fault and to remedy the fault shall be invoiced in accordance with the Company's current rates of charges. This shall also apply to consequential services or supply of products in relation to such work, including but not limited to the delivery of a corrective code or a corrected version of the defective part of the Licensed Material or for instructions as to how the error can be avoided. The Company shall also be released from its warranty obligations if the City does not complain of a program error promptly or does not put into productive operation a corrective code provided by the Company in fulfillment of its warranty obligations or a correct Update or Version of the pertinent part of Licensed Material which it has supplied.

6. CONFIDENTIALITY.

6.1 Obligations of Confidentiality. Each Party (in such capacity, the "**Receiving Party**") acknowledges and agrees to maintain the confidentiality of Confidential Information (as hereafter defined) of the other Party (in such capacity, the "**Disclosing Party**") provided by the Disclosing Party or otherwise received by the Receiving Party hereunder. The Receiving Party shall not disclose or disseminate the Disclosing Party's Confidential Information to any Person or entity other than those directors, officers, employees, agents, subcontractors, Permitted Affiliates, Authorized Users of the Receiving Party who have a need to know it in order to assist the Receiving Party in performing its obligations, or to permit the Receiving Party to exercise its rights, under this Agreement. City may disclose the Confidential Information of Company to the regulators of City, to the extent City is by law, regulation or self regulation obligated to do so. In addition, the Receiving Party shall: (i) take all reasonable steps to prevent unauthorized access to the Disclosing Party's Confidential Information; (ii) not use the Disclosing Party's Confidential Information, or authorize other Persons or entities to use the Disclosing Party's Confidential Information, for any purposes other than in connection with performing the Receiving Party's obligations or exercising the Receiving Party's rights hereunder; (iii) upon the request of the Disclosing Party and a reasonable opportunity to comply, comply with any legal or regulatory requirements applicable to the Disclosing Party or its vendors regarding security and data protection (and in such cases, the Disclosing Party will reimburse the Receiving Party for the reasonable, actual additional costs, if any, incurred by the Receiving Party in complying with such requirements); and (iv) promptly advise the Disclosing Party in the event it learns or suspects that any of the Disclosing Party's Confidential Information in the Receiving Party's possession has been revealed or improperly acquired by any third party, and shall assist the Disclosing Party in its efforts to retrieve the material and mitigate the effects of the exposure or

loss. As used herein, "reasonable steps" means steps that a Party takes to protect its own confidential or proprietary information of a similar nature, which steps shall in no event be less than a reasonable standard of care.

6.2 Definition of Confidential Information. As used herein, "**Confidential Information**" shall mean without limitation all business strategies, plans and procedures, proprietary information, methodologies, data and trade secrets, and other confidential information and materials of the Disclosing Party, its clients or suppliers, or other persons or entities with whom they do business that may be obtained by the Receiving Party from any source. Confidential Information of Company includes Licensed Material, and all information relating to Licensed Material. Confidential Information of City includes taxpayer information, non-public information concerning third parties such as customers or prospective customers of City or any of its Affiliates (including, but not limited to, trade data, and customer information as described in the Gramm Leach Bliley Act (15 USC 6801(b)) Regulation S-P and in the federal "Interagency Guidelines Establishing Standards for Safeguarding Customer Information" adopted pursuant thereto (66 Fed Reg. 8615 {Feb. 1, 2001}), as now or hereinafter in effect.

6.3 Exclusions. The provisions of this Article 6 respecting Confidential Information shall not apply to the extent, but only to the extent, that such Confidential Information: (i) is already known to the Receiving Party free of any restriction at the time it is obtained from the Disclosing Party; (ii) is subsequently learned by the Receiving Party from an independent third party free of any restriction and without breach of this Agreement; (iii) is or becomes publicly available through no wrongful act or omission of the Receiving Party; or (iv) is independently developed by or for the Receiving Party without reference to or use of any Confidential Information of the Disclosing Party. Further, Receiving Party shall not be in breach for disclosure to the extent required pursuant to an applicable law, rule, regulation, government requirement or court order, or the rules of any stock exchange or self regulatory agencies (provided, however, that to the extent practicable and lawfully permitted, the Receiving Party shall advise the Disclosing Party of such required disclosure promptly upon learning thereof in order to afford the Disclosing Party a reasonable opportunity to contest, limit or assist the Receiving Party in crafting such disclosure). Notwithstanding the above, Company acknowledges that Confidential Information provided to City may be subject to disclosure by Arizona laws related to open public records. Consequently, Company understands that disclosure of some or all of the items subject to this Agreement may be required by law. In the event City receives a request for disclosure that is reasonably calculated to incorporate information that might be considered confidential by Company, City agrees to provide Company

with notice of that request, which shall be deemed given when deposited by City for regular delivery to the address of Company specified below for notices. Within ten (10) days of City notice by City, Company will inform City in writing of any objection to the disclosure of the requested information. Failure by Company to object timely shall be deemed to waive any objection and any remedy against City for disclosure. In the event Company objects to disclosure within the time specified, Company agrees to handle all aspects related to request, including properly communicating with the requestor and timely responding with information, the disclosure of which Company does not object thereto. Furthermore, Company agrees to indemnify and hold harmless City from any claims, actions, lawsuits, or any other controversy or remedy, in whatever form, that arises from the failure to comply with the request for information and the laws pertaining to public records, including defending City in any legal action and payment of any penalties or judgments. This provision shall survive the termination of this Agreement.

6.4 Privacy Compliance. Notwithstanding any other provision of this Agreement, to the extent Nonpublic Personal Information is disclosed to or otherwise obtained by Company in connection with the matters contemplated by this Agreement, Company will keep such Nonpublic Personal Information strictly confidential and strictly limit Company's use thereof to the purposes contemplated by this Agreement. For the purposes of this provision, the term "**Nonpublic Personal Information**" is defined as any non-public personally identifiable information of an individual, including, but not limited to, City's or its Affiliates, or employees, including Authorized Users.

6.5 Receiving Party's Employees and Others. The Receiving Party shall advise its employees, agents, contractors, subcontractors, and Authorized Users of the Receiving Party's obligations of confidentiality and non-use under this Article 6 and Receiving Party shall retain full responsibility for compliance with the requirement of this Article 6 by all persons and entities who are provided access to the Disclosing Party's Confidential Information in accordance with the provisions of this Article 6.

6.6 Return or Destruction of Confidential Information. Upon the Disclosing Party's written request at any time, including following the expiration or termination of this Agreement, the Receiving Party shall promptly cease to use the Confidential Information and return to the Disclosing Party, or destroy, all Confidential Information of the Disclosing Party provided under or in connection with this Agreement, including all copies, portions and summaries thereof, and shall provide the Disclosing Party with a written statement certifying that all such material has been returned or destroyed. Notwithstanding the foregoing sentence, if and to the extent the

license and rights granted to the Receiving Party with respect to any Confidential Information survive the termination of this Agreement, Receiving Party may retain Confidential Information of Disclosing Party and use such information to the extent that such information is reasonably necessary in connection with Receiving Party's exercise of the license and rights as permitted under this Agreement; provided, however, that all such Confidential Information retained by the Receiving Party shall remain subject to the provisions of this Article 6 for so long as it is so retained. For greater clarity, Company and City each acknowledges and agrees that nothing in this Article 6 shall entitle either Party to require the other Party to return, or cease use of, any material (including, in the case of City, the Licensed Material) so long as and only to the extent the license granted to such Party under this Agreement or the License Agreement remains in effect, including by survival after termination of this Agreement or the License Agreement to the extent such survival may be expressly provided thereunder. If requested by the Disclosing Party, the Receiving Party shall certify in writing its compliance with the provisions of this Section 6.6.

6.7 Lawful exercise of license or rights. Notwithstanding anything to the contrary in this Agreement as between the Parties, the title and ownership of Confidential Information shall remain exclusively with the Disclosing Party. Disclosure of Confidential Information of a Party to the other Party shall not be construed as a grant of any license or other rights in or to the Confidential Information except as specifically set forth in this Agreement. Nothing contained in this Article 6 is intended nor shall anything herein be construed as restricting either Party from lawfully exercising the rights and licenses granted to such Party under this Agreement and any such use, copying or disclosure made by a Party in exercise of such Party's license rights and subject to the restrictions applicable to the license shall not be considered as a breach of this Article 6.

6.8 Survival of obligations. The obligations under this Article 6 shall survive the termination of this Agreement.

6.9 Cumulative Remedies. Each Party shall have and may cumulatively exercise all rights at law or in equity for the protection of its Confidential Information, including obtaining an injunction enjoining the breach or threatened breach of this Article 6.

7. OWNERSHIP AND PROPRIETARY RIGHTS.

7.1 Retained Ownership. Each Party retains sole and exclusive right, title and interest in any and all Intellectual Property and Intellectual Property Rights that it owned prior to the Effective Date or which it may conceive, reduce to practice, author or otherwise develop

thereafter, whether independent of the Services to be provided hereunder or pursuant to this Agreement, and nothing herein is intended to transfer or assign any interest therein except for the express licenses granted under this Agreement.

7.2 Licensed Material. City acknowledges and agrees that Company does and will continue to own all Intellectual Property and Intellectual Property Rights in or attached to the Licensed Material and Company Deliverables (excluding any City Proprietary Material or City Deliverables that was provided by City to Company and included by Company as content in any such Company Deliverable), including without limitation, in or attached to any Enhancement and Upgrades and any Derivative Works thereof. Nothing contained herein shall be construed as a transfer or conveyance by Company to City of the ownership, interest or title to the Intellectual Property or Intellectual Property Rights in or attached to the Licensed Material, Company Deliverables or any Derivative Works thereof. Subject to the provisions of this Agreement, City shall have a perpetual, irrevocable, non-exclusive license and rights granted by Company pursuant to Article 2 of the License Agreement.

7.3 City Deliverables and Proprietary Material. The ownership, right, title and interest in any Intellectual Property and Intellectual Property Rights in or attached to any City Deliverables and City Proprietary Material that City provides to Company in connection with the performance of Services or for incorporation in the Licensed Material shall remain with City and its applicable licensors and nothing contained in this Agreement is intended to nor shall be construed to effect any transfer of ownership rights or title of City or its licensors to Company. Except for any specific City Deliverables or specific City Proprietary Material expressly identified in any Statement of Work as an exception to this Section 7.3, to the extent any City Deliverables or City Proprietary Materials are used or incorporated in any Licensed Material or Company Deliverables, City hereby grants to Company a perpetual, non-exclusive, irrevocable, worldwide, fully paid up and royalty free right and license to use, copy, display, sublicense and distribute such City Deliverables and City Proprietary Material as part of Licensed Material and Licensed Software and to create Derivative Works thereof within any future Enhancement of or Upgrade to the Licensed Material or Licensed Software, provided that such right and license shall exclude all Marks of City. If and to the extent any City Deliverables, programs, requirements, concepts, ideas or other material provided by or on behalf of City in connection with the Services to be provided by Company or for incorporation in the Licensed Material is not owned by City, then City shall reasonably identify any such third party material and the applicable third party before they are provided to Company.

7.4 Trademarks. Nothing herein is intended to provide any Party any right to use or exploit any trademark, service mark, business name, trade dress or logo ("**Mark**") of the other Party, and neither Party shall utilize any such Mark of the other Party without the express written consent of the other Party unless it is obligated to reproduce such Mark under this Agreement.

7.5 Company's Marketing Rights. Nothing in this Agreement shall prevent Company from transacting similar business either for itself or for any other Person or to offer same or similar products or services to any third parties.

7.6 Residual Knowledge. Nothing in this Agreement is intended to prevent either Party from using the knowledge, skill and general experience gained by it or its employees in the performance of this Agreement to the extent they are retained in the unaided memories of such Party's personnel. Such personnel's memory will not be considered to be unaided if such personnel makes reference to refresh his memory to documents containing Confidential Information belonging to the other Party or the Source Code of the other Party. Nothing contained in this Section 7.6 shall be construed as granting separate license to the Intellectual Property or Confidential Information by one Party to the other Party.

8. INDEMNIFICATION.

8.1 Infringement Indemnity by Company.

(a) **Intellectual Property Indemnification.** Subject to subsection 8.1(b), Company agrees to defend, at its own expense, and to indemnify and hold harmless, City and its officers, agents, and employees ("City Indemnified Parties") from and against any third party Claims and Losses suffered or incurred by City as a result of any Claim that the Licensed Material provided within the scope of this Agreement infringes any copyrights, patents, trademarks, trade secrets or other intellectual property rights of third parties, provided that Company is notified promptly in writing of such claim. Company shall have the sole right to control the defense of all such claims, lawsuits, and other proceedings, including the right to settle the same. City may, but does not have to duty to, participate in the defense of any claim or litigation with attorneys of the City's selection and at the City's sole cost without relieving the Company of any obligations under this subsection 8.1. In no event shall City settle any such claim, lawsuit or proceeding without Company's prior express written approval. City shall cooperate with Company in a reasonable way to facilitate the settlement or defense of such claim. If, as a result of any claim of infringement, Company or City is enjoined from using the

Licensed Material provided under this Agreement, or if Company reasonably believes that the Licensed Material is likely to become the subject of a claim of infringement, Company may, at Company's option and expense: (i) procure the right for City to continue to use the Licensed Material; or (ii) replace or modify the Licensed Material so as to make it non-infringing and capable of serving the purpose for which the Licensed Material was provided. If neither of options in the preceding sentence is reasonably possible or effective, the Company shall accept return of the Licensed Material and terminate all rights and licenses granted to the City under this Agreement and refund to the City an amount equal to the unamortized balance of the Services Fee paid by the City under this Agreement, calculated on a straight line basis over a period of nine (9) years commencing on the Effective Date of this Agreement. The provisions in this Section 8.1 state the Company's entire liability and the City's sole remedies with respect to infringement.

(b) The foregoing provisions of this Section will not apply and Company shall have no obligations to the City or City Indemnified Parties under this Section, and in such case the City shall indemnify and hold the Company harmless to the extent that such infringement or unauthorized use arises solely from: (i) the City's modification of Company's Licensed Material; (ii) the failure of the City to use any corrections or modifications made available to City by Company; (iii) information, materials, instructions or specifications provided by the City; or (iv) the use of Company's Licensed Materials other than in the Target Environment in combination with any product not provided by Company, unless Company's Licensed Materials infringes the third party's rights in the absence of such combination. This section states the entire liability of Company with respect to infringement of any third party Intellectual Property Rights by the Licensed Materials or any parts thereof.

(c) Notwithstanding anything to the contrary herein, Company: (i) makes no representation and expressly waives any obligation of indemnification with respect to the use of Licensed Material by any Person other than City and Authorized Users; and (ii) shall assume no liability with respect to any Claims or Losses that may be made against or suffered by City or a City Indemnified Party for the use of Licensed Material if such Claim or Losses arises other than in connection with the permitted use of the Licensed Material.

8.2 City's Infringement Indemnity.

(a) Subject to subsection 8.2(b), City shall defend, indemnify and hold harmless Company and its directors, officers, employees and agents (collectively, "**Company Indemnified Parties**") from and against any Claims and Losses arising from any third party Claim against one or more Company Indemnified Parties in which it is alleged that the Use by Company of any City Material in connection with this Agreement constitutes an infringement of or misappropriation of the Intellectual Property Rights of any third party, provided that City shall have no obligation to Company and in such cases Company shall defend, indemnify and hold the City Indemnified Parties harmless, to the extent such infringement Claim arises as a result of: (i) modification of a City Material by or for Company other than as a result of performance of the Services to be provided under this Agreement and Statement of Work or at the direction of City; (ii) use by Company of the City Material other than in accordance with applicable documentation or instructions provided by City or use of the City Material by Company in combination with products and systems not contemplated in this Agreement, a Statement of Work, the applicable Documentation or Specifications; (iii) Company's failure to implement reasonable corrections, revisions or upgrades provided by City at City's cost; or (iv) use of a City Material outside the scope of the Licensed Material or Services.

(b) Notwithstanding anything to the contrary herein, City makes no representation or warranty, and Company expressly waives any obligation by City of indemnification, with respect to the use of a City Material by any Person other than Company, and shall assume no liability with respect to any Claims or Losses that may be made against or incurred by Company, any Company Indemnified Party or any other Person for the use of such materials beyond the Licensed Material provided to City hereunder or performance of the Services provided to City herein.

8.3 Each Party ("**Indemnifying Party**") shall indemnify, defend, save and hold harmless the other and its officers, officials, agents, and employees (hereinafter referred to as "Indemnified Party") from and against any and all third party claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Indemnifying Party or any of its owners, officers, directors, agents, employees or subcontractors in the performance of the services hereunder. This indemnity includes any claim or amount arising out of or recovered

under the Workers' Compensation Law or arising out of the failure of the Indemnifying Party to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the Parties that the Indemnified Party shall, in all instances except for Claims to the extent arising from the negligent or willful acts or omissions of the Indemnified Party, be indemnified by the Indemnifying Party from and against any and all claims. It is agreed that the Indemnifying Party will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

8.4 Additional Provisions for Indemnification. Each Party seeking indemnification shall provide the other Party with prompt written notice of Claim or Losses for which such Party is seeking or may seek indemnification hereunder (provided that the failure of the Party seeking indemnification to promptly notify the indemnifying Party hereunder shall not relieve the indemnifying Party of any liability with respect to the Claim or Losses, except to the extent the indemnifying Party demonstrates that the defense of the Claim or the avoidance or mitigation of any Losses is prejudiced by such failure). Each indemnifying Party shall: (i) keep the other Party fully informed concerning the status of any litigation, negotiations or settlements of any such Claim; and (ii) allow the other Party, at its own expense, to participate in such litigation, negotiations and settlements with counsel of its own choosing. The indemnified Party shall tender defense of the Claim to the indemnifying Party and provide reasonable cooperation (at the indemnifying Party's expense) and full authority to defend or settle the Claim. Notwithstanding the forgoing, neither Party shall have the right to settle any Claim without the prior written consent of the other Party if such settlement contains a stipulation to, or an admission or acknowledgement of, any wrongdoing (whether in tort or otherwise) on the part of the other Party. The indemnifying Party shall have no obligation to indemnify any amount in settlement agreed by the Indemnified Party unless the indemnifying Party agreed to such settlement.

9. LIMITATION OF LIABILITY.

9.1 Subject to the specific remedies if any set forth in this agreement with respect to any claim concerning performance or non performance of the licensed material pursuant to or in accordance with the terms of this Agreement and the documentation or any claim for breach or default of the company, the City's exclusive remedy shall be the recovery of the direct damages actually suffered by the Party and either Party's total and cumulative liability for direct damages shall not exceed the total fees paid or payable to Company by City under this Agreement.

9.2 General exclusion. Under no circumstances shall either party have any liability to the other for loss of or damage to revenues, profits, or goodwill or other special, indirect,

consequential, exemplary, incidental or punitive damages, whether in contract, tort or any other theories in law or equity, even if such party has been advised of the possibility of such damages.

9.3 Back up date. The City shall be responsible for regularly backing up all data and databases used with the Licensed Material. The City assumes full responsibility for the use of the Licensed Material and any information entered, used and stored thereon, including, without limitation, protection of data from viruses, or any unintended modification, destruction or disclosure, and for the accuracy and integrity of the results. The Company assumes no responsibility for City's negligence or failure to retain back up data at regular intervals or protect data from viruses, or any unintended modification, destruction, or disclosure of any data, software or other information.

9.4 The City acknowledges and agrees that the allocation of risk contained in this Article 9 is reflected in the fees and other charges under this Agreement and is a reasonable allocation of the risk between the Parties.

10. DISPUTE RESOLUTION PROCEDURE.

10.1 Dispute Resolution Process. In the event of any dispute between Company and City, the Parties shall notify their respective Executive Contacts. If the Executive Contacts cannot resolve the dispute within fifteen (15) Business Days after notification thereof, they shall escalate the issue to the Escalation Working Group. If the Escalation Working Group cannot resolve the dispute within fifteen (15) Business Days after notification thereof, the dispute shall be resolved by arbitration or litigation in accordance with this Article 10.2. Company and City agree in the event of any dispute between Company and City, each Party will continue to perform its obligations not related to the dispute under the Agreement during the resolution of such dispute unless and until the Agreement is terminated in accordance with the provisions thereof.

10.2 Dispute Resolution-Arbitration. Except as otherwise provided herein, any dispute or claim arising out of or relating to this Agreement, including its formation and validity, shall be referred to binding arbitration, by either Party if any such dispute is not settled by the Parties in accordance with the dispute resolution process in accordance with Section 10.1 within thirty (30) days of receipt of notice of a claim from the aggrieved Party (or after such extension, if any, agreed in writing by both the Parties). Arbitration will be in accordance with the American Aribitration Association ("AAA") Commercial rules but not administered by AAA and heard independently. The Parties will exercise best efforts to select an arbitrator within five (5)

Business Days of a request for arbitration by either Party. If the Parties have not agreed upon an arbitrator within this period, selection of the arbitrator will be referred to one of the principals of the mediation firm of Scott & Skelly, LLC, Phoenix, Arizona, who will then select the arbitrator. The Parties will equally share the fees and costs incurred in the selection of the Arbitrator.

10.3 Arbitration Procedures. The arbitrator will consider all factual and legal issues. The decision of the arbitrator shall be final and binding on the Parties. Any decision by an arbitrator hereunder may not be appealed to any court or other forum, except to the extent otherwise provided by the applicable law. In the event the AAA rules are inconsistent with the terms herein, the terms of this Agreement shall control. In awarding any damages, the arbitrator shall be bound by Article 9 (Limitation of Liability).

10.4 Other Relief. Nothing herein shall prohibit either Party from seeking a temporary restraining order, preliminary injunction or other provisional relief if, in its judgment, such action is necessary to avoid irreparable damage, to preserve the status quo or to prevent the dissemination of Confidential Information or from bringing and pursuing legal action to specifically enforce the provisions of this Article 10. Notwithstanding anything to the contrary in this Agreement, in the event a third party makes a claim or files a claim in a court of law against a Party ("**Defendant**") who tenders the claim to the other Party for defense and indemnification under Article 8 of the Agreement, and such request for defense and indemnification is denied, the Defendant may pursue, as applicable, any cross claim or other claims relating to the defense and indemnification of the third party's claim (including attorneys fees) against the Party who rejected the request for defense and indemnification.

10.5 Arbitrator. The arbitrator selected to hear any claim hereunder shall be neutral and shall be either a lawyer with ten (10) years experience, and not have engaged in any business for or adverse to either Party for at least ten (10) years. The arbitrator shall not be under the control of either Party and shall have no financial interest in the outcome of the arbitration. The arbitrator shall apply applicable law and may not limit, expand or otherwise modify the terms of this Agreement. Either Party may request a hearing, preferably telephonic, but in person hearing if the arbitrator deems the facts and circumstances require personal appearances. Any hearing shall be held within ninety (90) days of the appointment of the arbitrator. However, absent a request for hearing, the arbitrator may decide the claim based on the Parties' written submissions. Within ten (10) days of appointment of the arbitrator each Party will disclose to the other copies of all documents relevant to the dispute. Further discovery will be as determined by the arbitrator. Each Party will submit at the hearing or as directed by the arbitrator, evidence in support of that Party's position and the exact award sought. 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. The arbitrator has no authority to award punitive damages. Any arbitration award(s) shall be in writing and issued within fifteen (15) dayof of the hearing or as otherwise set by the arbitrator. 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 costs and expenses, including reasonable attorney's fees.

10.6 Survival. The provisions of this Article shall survive: (i) termination or changes to the Agreement; (ii) the bankruptcy of either Party; and (iii) any transfer, sale or assignment of this Agreement or any amounts owed hereunder. If any portion of this Article 10 is deemed invalid or unenforceable, the remaining provisions shall nevertheless remain in force. Any different agreement regarding the terms of this Article 10 must be agreed to in writing.

11. TERM AND TERMINATION.

11.1 Term. The term of this Agreement shall commence as of the Effective Date and shall continue to remain in effect unless and until it is terminated in accordance with the provisions of this Agreement ("**Term**"). The Parties acknowledge TCS will begin to perform the Services described in the Statement of Work subsequent to the execution of both the SOW and this MSA by both Parties.

11.2 Termination for Convenience. The City may terminate this Agreement or a Statement of Work hereunder for convenience upon 180 days prior written notice to Company. If City terminates this Agreement or the Initial Statement of Work prior to the final acceptance of the Company Deliverables under the Initial Statement of Work, all of the licenses and rights granted to City under the License Agreement and hereunder shall automatically terminate and City shall return to Company (or destroy and provide written certification of such destruction) and City, Permitted Affiliates, and Authorized Users otherwise cease using the Licensed Material or any Company Confidential Information or proprietary material in any manner. Company shall be entitled to retain all milestone payments on account of Service Fees paid by City prior to the date of termination and City will pay to Company the difference, if any, between the amount that would be payable by City for all Services performed by Company up to the date of termination calculated at the time and materials rates set out in Statement of Work minus the milestone payments retained by Company under this subsection. City will pay to Company all Expenses in respect of which Company is entitled to be reimbursed by City under this Agreement and which have not been previously reimbursed. If City terminated this Agreement or a Statement of Work under this Section 11.2 after final Acceptance of all the Company Deliverables under the Initial

Statement of Work, City may at its option retain the license under the and in accordance with the provisions of the License Agreement. Company will be entitled to retain all License Fees and Service Fees previously paid by City and City will pay to Company all Service Fees and Expenses through the effective date of termination.

11.3 Termination by City for Material Breach of Company.

(a) City may terminate this Agreement by delivering written notice thereof to Company for any material breach(es) by Company of the provisions of this Agreement that has not been cured by Company: (i) within thirty (30) days after receipt of written notice of such breach, if capable of being cured within thirty (30) days; or (ii) if the breach reasonably requires more than thirty (30) days for remedying and Company failed to propose a prompt and effective plan for remedying the breach and promptly and diligently commenced the cure within such thirty (30) days, and thereafter such breach is remedied within a period of not more than ninety (90) days after City's notice of the breach. Company agrees that the extended cure period under subsection (ii) of this subsection 11.3(a) shall not apply to Company's breach of its obligation to provide Maintenance Services in respect of a Severity 1 Error or Severity 2 Error in accordance with this Agreement. The notice of breach as aforesaid shall specify the breach in reasonable detail.

(b) If City terminates this Agreement under this Section 11.3(a) prior to final Acceptance of all Company Deliverables under the Initial Statement of Work, all of the licenses and rights granted hereunder to City shall automatically terminate and, City shall return to the Company (or destroy and provide written certification of such destruction) and otherwise cease using the Licensed Material in any manner. If City terminates this Agreement under this subsection 11.3(a) after final Acceptance of all Company Deliverables under the Initial Statement of Work, all of the licenses and rights granted to Company under the License Agreement shall survive termination and continue in full force and effect and the license restrictions set forth in Section 2 of the License Agreement shall survive and continue to apply to the license.

11.4 Termination by Company for Material Breach of City.

(a) Company may terminate this Agreement and the licenses and rights granted to City for breach by City of the terms of license as set forth in Article 2 of the License Agreement or due to City's failure to pay when due any undisputed amount of

License Fees or Service Fees (other than Service Fees in respect of Maintenance Services). In the event of any other material breach that is not cured by City within thirty (30) days after written notice of breach Company shall be entitled to recover direct damages from City and also obtain injunctive relief for preventing the continued breaches and any future breaches of this Agreement.

(b) If City breaches Article 2 of the License Agreement or any other provisions relating to the Company's Intellectual Property or Intellectual Property Rights or fails to pay when due any undisputed amount of License Fees or Services Fees (including without limitation Maintenance Fees) and fails to remedy that breach or non-payment within thirty (30) days after receipt of written notice from Company demanding that City do so, then Company shall be entitled to terminate this Agreement. If this Agreement is terminated by Company pursuant to this Section 11.4, without prejudice to any other liability of City under law or equity, all of the licenses and rights granted hereunder to City shall automatically terminate and City shall return to Company (or at Company's option destroy and provide written certification of such destruction) the Licensed Material and City, Permitted Affiliates, and Authorized Users shall otherwise forthwith cease using the Licensed Material and any and all Company Deliverables in any manner.

(c) If City fails to pay any Maintenance Fees when due, and fails to remedy that non-payment within thirty (30) days after receipt of written notice from Company demanding that City do so, City shall be deemed to have elected not to renew Maintenance Services for the Maintenance Period in respect of which the unpaid Maintenance Fees are due, and Company will have no obligation to provide Maintenance Services to City unless and until City reinstitutes its purchase of Maintenance Services in accordance with applicable Statement of Work. Nothing contained herein shall prevent Company from recovering from City any fees accrued for the Maintenance Services already performed.

11.5 Survival. Notwithstanding any other provisions of this Agreement, all provisions of this Agreement necessary for the interpretation or enforcement of any of the foregoing Articles, Sections and Schedules will survive the termination of all or any part of this Agreement, and will continue in full force and effect, and references in this Agreement to termination of this Agreement will not apply to those Articles, Sections and Schedules unless the Parties agree in writing. Except as specifically provided in this Agreement, the termination of this Agreement does not release any Party from any liability or obligation arising prior to the

date of termination.

11.6 Effect of Termination:

(a) In the event of termination of this Agreement for any reason whatsoever, the rights and licenses granted to the City will immediately terminate and the licensee will have no further right to use the software, except to the extent otherwise provided for in subsection 11.3(b). Within thirty (30) days after the termination, City must return all the copies of the software, documentation and Confidential Information in its possession or control to the licensor, or permanently destroy or disable all such copies. If requested by the Company, a duly authorized officer of the City will certify in writing to the licensor that the licensee has taken such action.

(b) Termination shall be without prejudice to any other rights or remedies a Party may be entitled to hereunder or at law, and shall not affect any accrued rights or liabilities of either Party nor the coming into force or continuation in force of any provision hereof which is expressly intended to come into force or continue in force on or after such termination.

(c) In the event this Agreement is terminated by whichever Party and for whatsoever reason, the City shall be liable to make payments of the entire amount due under this Agreement for the services rendered by the Company up to the effective date of termination in terms of this Agreement.

(d) On the expiration or earlier termination of this Agreement, each Party shall return to the other Party all documents and materials and Confidential Information belonging to the other Party with regard to this Agreement, or shall at the option of the disclosing Party destroy, under written certification by an authorized officer of the other Party, all documents or materials in connection with this Agreement in a manner that the subsequent retrieval thereof is rendered impossible by any method.

12. MISCELLANEOUS.

12.1 Default and Other Remedies. Nothing herein shall preclude either Party from seeking money damages or injunctive relief to prevent unauthorized use of the Licensed Material or City Proprietary Material in the event of a breach of this Agreement.

12.2 Remedies. Except as otherwise provided herein, no right or remedy herein

conferred on or reserved to either Party is intended to be exclusive of any other right or remedy, and each and every right and remedy will be cumulative and in addition to any other right or remedy under this Agreement or under applicable law, whether now or hereafter existing.

12.3 Injunctive Relief and Special Performance. Company and City agree that a breach by either of them of its obligations under Article 6, Article 7 or Article 11 may cause irreparable harm which cannot be compensated in money damages. Accordingly, Company and City each agree that in the event either Party breaches any of the provisions in Article 6, Article 7, or Article 11, the other Party shall be entitled to seek injunctive relief or specific performance in addition to its other remedies.

12.4 Relationship of Parties.

(a) The relationship of the Parties shall be that of independent contractors. Any employee, subcontractor or agent of Company who is assigned to provide Services under this Agreement shall remain at all times under the exclusive direction and control of Company and shall not be deemed to be an employee, subcontractor or agent of City. Neither Party will represent that it has any authority to assume or create any obligation, express or implied, on behalf of the other Party, or to represent the other Party as agent, employee, or in any other capacity, except as specifically provided herein.

(b) This Agreement will not constitute, create, give rise to or otherwise recognize a joint venture, agreement or relationship, partnership or formal business organization of any kind between the Parties, and the rights and obligations of the Parties shall be only those expressly set forth therein. Company will agree that no persons assigned by it in the performance of the Agreement are employees of the City and further agrees that no rights to the City's civil service, retirement or personnel rules and benefits accrue to such persons. Company shall be responsible for all salaries, wages, bonuses, retirement, withholdings, workers' compensation, unemployment compensation, other benefits, taxes and premiums appurtenant thereto concerning such persons provided by such Company in the performance of the Agreement, and Company shall save and hold the City harmless with respect thereto.

12.5 Entire Agreement; Amendments; Modifications. This Agreement, along with the schedules and exhibits attached hereto, sets forth the entire agreement between the Parties and supersedes any other prior or contemporaneous proposals, agreements and representations between them related to its subject matter, whether written or oral between the Parties and all

amendments and extensions thereof, which shall be deemed to be superseded by this Agreement. No modifications or amendments to this Agreement shall be binding upon the Parties unless made in writing and duly executed by authorized officials of both Parties.

12.6 Binding Effect; Assignment.

(a) This Agreement shall be binding on and inure to the benefit of the respective Parties and their permitted successors and assigns. Neither Party may sell, transfer or assign any right or obligation hereunder, except as expressly provided herein, without the prior written consent of the other Party. Any assignment in violation of this Section 12.6 shall be void.

(b) City shall have the right to assign or transfer (including by merger or otherwise by operation of law) all of its rights, duties and obligations under this Agreement to: (i) any entity that is an Affiliate of City in connection with an internal reorganization of the business of City; or (ii) a purchaser of all or substantially all of City's capital stock, assets and business involving the line of business that primarily utilizes the Licensed Material; provided that with respect to subsections (i) and (ii), the resulting assignment shall not expand the scope of the licenses granted hereunder. The foregoing assignment shall be valid only if: (i) City provides prior written notice to Company; and (ii) such assignee or transferee shall have expressly assumed in a written agreement with Company, the rights, duties and obligations of City under this Agreement. No such assignment or transfer shall operate to release City of its duties or obligations under this Agreement, absent an express written release executed and delivered by Company (it being understood and agreed that Company shall not unreasonably withhold its consent to such a release if the assignee or transferee is the operator or successor to City's line of business involving the Licensed Material).

(c) Company shall have the right to assign or transfer (including by merger or otherwise by operation of law) its rights, duties and obligations under this Agreement with the prior written consent of City, which consent shall not be unreasonably withheld. Notwithstanding the forgoing, such consent shall not be required for an assignment by Company: (i) after Company has successfully completed final Acceptance of all Company Deliverables and made as part of the sale of all or substantially all of Company's capital stock, or Company's assets and business involving the line of business that related to the Licensed Software; or (ii) at any time, made solely in connection with a complete assignment of all or substantially all assets related to the

Licensed Software to any entity that is a direct or indirect wholly-owned subsidiary of Tata Consultancy Services Limited in connection with an internal reorganization of the business of Tata Consultancy Services Limited provided that, absent an express written release executed and delivered by City, Company shall not be relieved of any of their obligations hereunder. The foregoing assignment shall be valid only if: (i) Company provides written notice to City; and (ii) such assignee or transferee shall have expressly assumed, in a written agreement with City, the rights, duties and obligations of Company under this Agreement.

12.7 No Waiver. Failure or delay by either Party to exercise any right under this Agreement shall not constitute a waiver of any other terms or conditions of this Agreement with respect to any other or subsequent breach, or a waiver by such Party of its right at any time thereafter to require exact and strict compliance with the terms of this Agreement. In order to be effective, all waivers under this Agreement must be in writing and signed by the waiving Party.

12.8 Notices. All notices and other communications required under this Agreement shall be in writing and sent to the address stated below, or to such other address as shall be given by either Party to the other in writing, and shall be effective: (i) upon actual delivery if presented personally, or sent by express overnight courier such as Federal Express (with a signature acknowledging receipt); or (ii) seven (7) days following deposit in the United States mail if sent by certified or registered mail, postage prepaid, return receipt requested.

To Company:	Tata Consultancy Services 1000 Summit Drive Milford, OH 45150 U.S.A. Attn: Ravi Nandivada Telephone : 513-677-6508 Facsimile: 513-831-0629
With a copy to:	Tata America International Corporation 101 Park Avenue New York, N.Y. 10178, U.S.A. Attn: The General Counsel Facsimile: 212-867-8652

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

Bill Bond, Tax and License Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301, U.S.A.

With copies to: City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301, U.S.A.

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301, U.S.A.

(a) 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 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 Company identifying the designee(s) and their respective addresses for notices.

(b) Changes. Company 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.

(c) Notwithstanding the foregoing, day-to-day communications between the Parties may be made by telephone, facsimile transmission, e-mail or any other method agreed to by the Parties.

12.9 Applicable Law. This Agreement shall be governed by the laws of the State of Arizona, without giving effect to the conflicts of law principles thereof.

12.10 Force Majeure. If either Party is delayed in or prevented from performing any of its obligations hereunder by reason of a governmental law or regulation, court order, labor disturbance, act of God, fire, flood, national emergency, war, insurrection, terrorist acts, civil disturbance, or other reason of a like nature beyond the control of and not the fault of or due to the negligence of such Party, which such Party is unable to prevent or overcome by the exercise of ordinary prudence and diligence (including, but not limited to, the implementation and exercise of a reasonable disaster recovery plan), upon such Party giving prompt notice and full particulars of such cause to the other Party, the performance of such obligation shall be excused for the period of the delay, and the period for the performance of such obligation shall be extended for an equivalent period.

12.11 Employee Non-Solicitation. Neither City nor Company shall, except with the prior written consent of the other, solicit or hire any employee of the other Party during the time such employee is associated with any Services under this Agreement for a period of one (1) year after such person ceases to be so engaged. The foregoing restriction shall not apply to the employment of any person who responds to a general recruitment advertisement issued to the public.

12.12 Cooperation. Each Party to this Agreement agrees to execute and deliver all documents, perform all further acts, and take any and all further steps that may be reasonably necessary, to carry out the provisions of this Agreement and transactions contemplated thereby. Each Party shall perform its obligations hereunder acting in a fair and reasonable manner.

12.13 Export - Import Laws. Company is solely responsible to comply with any applicable laws and regulations for importation or exportation of any software or any other material provided by City or Company in connection with this Agreement. Each Party will comply with any applicable U.S. export regulations with respect to export of software or technology from the United States to Company's offshore facilities. Unless authorized by U.S. regulation or an export license or exemption, each of City and Company, agree that they will not re-export, directly or indirectly, any software or technology received from the other Party, or allow the direct product thereof to be exported or re-exported, directly or indirectly, to Cuba, Iran, North Korea, Libya, Sudan, Syria or any other country in Country Group E:2 of the Export Administration Regulations of the Department of Commerce (see http://www.bxa.doc.gov) or any other country subject to sanctions administered by the Office of Foreign Assets Control (see

http://www.treas.gov/ofac/), as revised from time to time.

12.14 Headings. The various headings and subheadings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

12.15 Severability. The invalidity of one or more phrases, sentences, sections, clauses or articles contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof; in the event that one or more phrases, sentences, sections, clauses or articles shall be declared void or unenforceable by any court of competent jurisdiction or by any government or regulatory agency, such provision will be deemed restated, in accordance with applicable law, to reflect as nearly as possible the original intentions of the Parties, and this Agreement shall be construed as if any such phrases, sentences, clauses and articles had not been inserted herein.

12.16 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.17 Inurement. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

12.18 Compliance with Laws. Company shall comply with all existing and subsequently enacted federal, state and local laws, ordinances, codes and regulations which are, or become, applicable to its performance of the services under this Agreement. If a subsequently enacted law imposes substantial additional costs on Company, a request for an amendment may be submitted pursuant to Section 2.2; however, no such change order may be approved by the City if it results in an increase of the Agreement amount approved by the City's Council unless additional approval, as applicable, is obtained, in which case Company shall have no obligation under this Section.

12.19 Arizona Immigration Compliance.

(a) Company, 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.

(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 of this Agreement.

(c) City retains the legal right to inspect the papers of Company or subcontractor employee who performs work under this Agreement to ensure that Company or any subcontractor is compliant with the warranty under subsection (a) above.

(d) City may conduct random inspections, and upon request of the City, Company shall provide copies of papers and records demonstrating continued compliance with the warranty under subsection (a) above. Company 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 12.19.

(e) Company 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 the City. Company 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.

(f) Company's warranty and obligations under this Section 12.19 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.

(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.

12.20 Foreign Prohibitions. Company, and on behalf of any subcontractor, certifies, to the extent applicable under A.R.S. §§ 35-391 *et seq.* and 35-393 *et sec.*, that neither has "scrutinized" business operations, as defined in the preceding statutory sections, in the countries of Sudan or Iran.

13. GENERAL PROVISIONS

13.1 Nondiscrimination. Company will not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, gender, national origin, age, or disability, nor otherwise commit an unfair employment practice. Company will take affirmative action to ensure that applicants are employed, and that employees are dealt with during employment, without regard to their race, color, religion, gender, national origin, age, or disability. Such action will include, but not be limited to, the following: employment, upgrading, promotion, demotion, or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or forms of compensation; and selection for training, including apprenticeship. Company further agrees that this clause will be incorporated in all subcontracts entered into with suppliers of materials or services, and all labor organizations furnishing skilled, unskilled, and union labor, or who may perform any such labor or services, in connection with this Agreement. This clause will also be incorporated into all job-consultants' agreements or subleases in any way pertaining to Company's performance under this Agreement.

13.2 Compliance with Immigration Reform and Control Act. Company understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 (IRCA) to it. Company agrees to comply with IRCA in performing under this Agreement and to permit City to verify such compliance.

13.3 Offsets. Company understands and acknowledges that Chapter XVIII, §14 of City's Charter provides that no demand on City shall be allowed in favor of any person in any manner indebted to City without first deducting such indebtedness. Accordingly, Company agrees that any payments that are undisputed and due and payable to City shall be offset against the amounts payable to Company under this Agreement.

13.4 Cancellation. The Parties understand and acknowledge that this Agreement may be subject to cancellation under A.R.S. § 38-511 (Arizona's public employee conflict of interest law), in the event there is a conflict of interest of the type specified in A.R.S. § 35-511 by persons significantly involved in initiating, negotiation, securing, drafting or creating this Agreement.

13.5 Insurance Requirements.

(a) Company and its subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to

property which may arise from or in connection with the performance of the work hereunder by Company, its agents, representatives, employees or subcontractors.

(b) The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect Company from liabilities that might arise out of the performance of the work under this Agreement by Company, its agents, representatives, employees or subcontractors and Company is free to purchase additional insurance as may be determined necessary.

(c) Minimum Scope and Limits of Insurance. Company shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements, provided that the coverage is written on a "following form" basis:

(i) Commercial General Liability – Occurrence Form:

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

General Aggregate	$2,000,000
Products – Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000

(ii) The policy shall be endorsed to include that the City of Glendale shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of Company.

(iii) Automobile Liability:

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Agreement.

Combined Single Limit (CSL)	$1,000,000

(iv) The policy shall be endorsed to include that the City of Glendale shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of Company, including automobiles owned, leased, hired or borrowed by Company.

(v) Worker's Compensation and Employers' Liability:

Workers' Compensation	Statutory
Employers' Liability – Each Accident	$100,000
Disease – Each Employee	$100,000
Disease – Policy Limit	$500,000

Policy shall contain a waiver of subrogation against the City. This requirement shall not apply when a contractor or subcontractor is exempt under A.R.S. § 23-901 AND when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

(vi) Professional Liability (Errors and Omissions Liability):

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	$1,000,000
Annual Aggregate	$2,000,000

In the event that the professional liability insurance required by this Agreement is written on a claims-made basis, Company warrants that any retroactive date under the policy shall precede the effective date of this Agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Agreement is completed.

(d) Additional Insurance Requirements. The policies shall include, or be endorsed to include, the following provisions:

(i) On insurance policies where the City is named as an additional insured, the City of Glendale shall be an additional insured to the full limits of liability purchased by Company even if those limits of liability are in excess of those required by this Agreement.

(ii) Company's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

(e) Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, or canceled, except after thirty (30) days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to Bill Bond, Tax and License Manager, City of Glendale, 5850 West Glendale Avenue, Glendale, Arizona 85301, and shall be sent by certified mail, return receipt requested.

(f) Acceptability of Insurers. Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best" rating of not less than B+ VI. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect Company from potential insurer insolvency.

(g) Verification of Coverage. Company shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

(h) All certificates, and any required endorsements, are to be received and approved by the City before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, is a material breach of contract.

(i) All certificates required by this Agreement shall be sent directly to Jim Swaziek, CPPO Contract Analysts City of Glendale Attn: Materials Management, City of Glendale, 6829 North 58th Drive, Suite 202, Glendale, Arizona 85301. The City project/contract number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE CITY'S RISK MANAGEMENT DIVISION.

(j) Approval. Any modification or variation from the insurance requirements in this Agreement shall be made by the Risk Management Department, whose decision shall be final. Such action will not require a formal Agreement amendment, but may be made by administrative action.

14. FUND APPROPRIATION CONTINGENCY.

Company understands that the continuation of this Agreement after the close of any given fiscal year of the City, which ends on June 30, shall be subject to the budget of the City providing for this Agreement item as an expenditure therein. The City cannot assure that the budget item for funding this Agreement will be approved in the future because such

an assurance is a legislative and policy determination of the City Council at the time of the adoption of the budget. If the funding of the Agreement is not approved by the Glendale City Council, the City may terminate this Agreement as of the close of its fiscal year.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and effective as of the day and year stated above.

TATA AMERICA INTERNATIONAL CORPORATION, a New York corporation

By: _____

Name: Satyanarayan S. Hegde

Title: Sr Vice President & General Counsel

Date: 11/9/09

CITY OF Glendale, an Arizona municipal corporation

By: _____

Name: Ed Beasley

Title City Manager

Date: November 16th, 2009

ATTEST:

_____

Pam Hanna, City Clerk

APPROVED AS TO FORM:

_____

Craig Tindall, City Attorney

Schedule A

INITIAL STATEMENT OF WORK
(Tax & License Information System Statement of Work)

Appendix A – Functions and Features

Appendix B – Interfaces

Appendix C – Training

Appendix D – Project Schedules

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SCHEDULE A

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1. Introduction

This Statement of Work, Schedule A ("SOW") is subject to and incorporated into the terms of the Master Services Agreement ("MSA"), between Company and the City.

Capitalized terms used but not defined in this Statement of Work shall have the meaning assigned to them in the Software License Agreement ("SLA") and the MSA. In the event that there is a conflict or inconsistency between the terms and conditions of this Statement of Work and those contained in the MSA, the terms of the MSA shall prevail, unless the Parties explicitly agree otherwise in writing.

Appendices to this SOW are incorporated herein as if fully set forth.

The City has licensed the following products, collectively referred to as "Licensed Software," under SLA from Company:

- Tax Mantra® which includes the following "modules":
  - Taxpayer Registration
  - Taxpayer Accounting
  - Payment Processing
  - Revenue Accounting
  - Correspondence
  - Case Management
  - Security
  - Reports
  - Utilities
  - Inquiry
  - Configuration
- E-Tax

The City will license at its costs, the following Impression Software products directly from Impression Technology

- Imaging solution which includes the following "modules":
  - iCapture Core
  - Form Definition Editor
  - Automated TransBuilder
  - iScanPlus
  - Image Enhancement
  - Post-Processor, Business Rule Engine
  - ICR/OCR Adaptor
  - ICR/OCR Processor

- Key Data Entry
- iExport Tax Mantra
- iExport Webxtender

2. Project Scope

2.1 Current Project Scope

The scope of work to be performed by Company and its subcontractors, collectively referred to as Company, is described in this SOW. In addition, certain, but not necessarily all, work to be performed by the City is described. City tasks that are direct dependencies to Company Project tasks are outlined in this SOW.

In the charts depicting roles and responsibilities, P identifies the party responsible for management and implementation of the work; S identifies the second party providing assistance. Assistance can include review, mentoring and knowledge transfer of both skills and particular information.

Company will begin to perform the Services described in this SOW following the execution of the MSA and SLA by both parties, and plans to complete the Services defined in this SOW according to the schedule in Section 6.1 – Project Schedule, subject to the terms of this SOW, any amendments of this SOW, and any approved Change Requests.

The Project Schedule reflects a comprehensive implementation package integrating all the Licensed Software and Implementation Services. This package is collectively referred to in this SOW as the Tax Mantra® Solution. The Project Schedule is aligned in multiple activities that are organized to deliver the system functionality in-line with City requirements. The multiple activities and the scope of components to be delivered in each are outlined below. Details on the specific activities, the responsibilities of each Party, and the deliverables associated with the activities are provided in Section 5 of this SOW "Detailed Statement of Work."

- Tax Mantra® product including the following components and related services:
  - Taxpayer Registration
  - Taxpayer Accounting
  - Payment Processing
  - Revenue Accounting
  - Correspondence
  - Case Management
  - Security
  - Reports
  - Utilities
  - Inquiry
  - Configuration

- Tax Mantra® eTax component
- License for one Crystal Report Server XI (Windows) with Crystal Report Server XI users 10 CAL
- Five (5) licenses for the Crystal Reports developer (Windows)
- Data Conversion
    - Study to determine the scope of data migration
    - Design, Extraction, Loading and Testing (will depend on the outcome of Data Conversion Study)
- Implementation services for the following Imaging Components (components will be procured by the City directly from Impression Technologies):
    - iCapture Core
    - Form Definition Editor
    - Automated TransBuilder
    - iScanPlus
    - Image Enhancement
    - Post-Processor, Business Rule Engine
    - ICR/OCR Adaptor
    - ICR/OCR Processor
    - Key Data Entry
    - iExport Tax Mantra
    - iExport Webxtender

2.2 Possible Future Project Scope

The City has the option to install the following additional module/functions of the Tax Mantra® solution:

1. Management Dashboard module.
2. Implement an interface with the City's Hansen 7.7 system.

The City can elect to move forward with the above two as part of this SOW and for the pricing outlined in Section 6.2 – Detailed Project Cost. The prices for these options are valid for sixteen (16) months from Project start at Project Kickoff meeting.

Details on the implementation approach, planning, and technical needs will be further defined at the point when City elects to move forward with these two modules. Scheduling of the implementation of these modules may impact the costing for implementation services.

3. Project Organization

3.1 Project Organization Chart

The Project will be organized in a way that is in line with TMIM and PMI guidelines. This Project structure will allow for the efficient and effective interactions on Project tasks and for Project management issues.

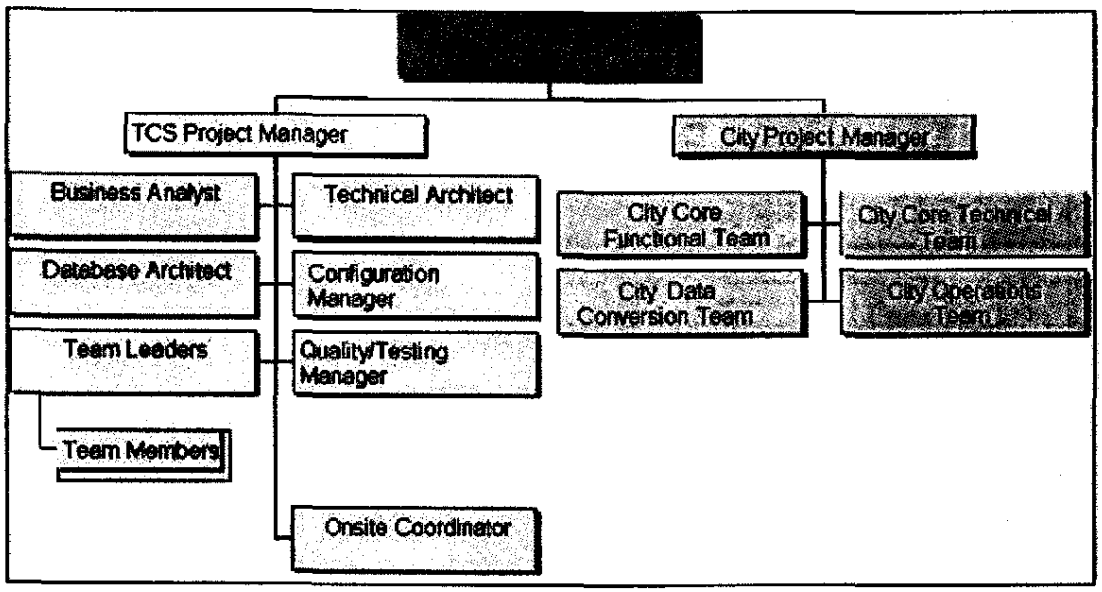

Figure 1 Project Organization Chart

3.2 Roles and Responsibilities

Company's and City's respective Project involvement and responsibilities are set forth in the roles and responsibilities matrices for the Duration Activities. General governing constraints and assumptions appear in the Detailed Statement of Work below, and those that are specific to an activity are listed at the end of each activity's matrix. In the table below, a high level description of each primary role on the Project is provided. A role may be fulfilled / staffed by more than one Company or City resource. One resource from either Company or City may fulfill more than one role.

Role	Type	Description
Escalation Working Group	Joint	The Escalation Working Group will be comprised of the City Project Sponsors and Company executive staff members. The Escalation Working Group reviews and approves Project issues that are escalated by the Project Managers.

Role	Type	Description
Project Manager	Company	Company Project Manager: The Company Project Manager will assume direct responsibility over Company project team resources. He will provide advice and assistance with regard to task management and work activities to the City Project Manager.
Project Manager	City	City Project Manager: The City Project Manager has overall responsibility for managing and directing all Project activities and will coordinate work activities with the Company Project Manager.
Onsite Coordinator	Company	Onsite Coordinator ("OC") plays a very crucial role in the proposed offshore-onsite implementation methodology. OC is the single point of contact between the City and the offshore team during all the offshore activities, namely the Design and Configuration and Customization, Development and Testing. OC possesses the requisite functional/technical skills to coordinate/facilitate with respective parties and answers the City and Company queries/clarifications as and when required. OC will adequately guide the City staff in Test Case and Test Data preparation, may be involved in the set-up of the Test and Production environments at City, and will coordinate delivery of Company Deliverables to City and vice versa.
Business Analyst	Company	The Company business analyst will be involved in Gap Analysis, Data Conversion Requirement Study, Design, and review/testing of all deliverables to City.
Technical Architect	Company	Evaluate, propose, validate approve and facilitate implementation of major architectural changes required in the product.
Database Architect	Company	All database administration activities for the development and the testing team for the offshore activities. This resource will also facilitate any Database Change Requests (DCR), their approval, validation and its implementation.

Role	Type	Description
Configuration Manager	Company	Responsible for maintaining different versions of the software and ensures that the team is always working on the latest copy of the software.
Team Leaders	Company	The team leaders are involved in design, customization and configuration of the software, code and test case review & integration testing
Quality / Testing Manager	Company	Responsible for ensuring that the software has been tested as per the specifications provided by the City.
Team Members	Company	Responsible for Unit Test Case preparation, Customization and Configuration, Unit Testing, Reviews and Documentation.
Functional Team	City	These staff will be responsible for various functional areas as they align with Tax Mantra® functionalities. The Subject Matter Experts (SMEs) are responsible for providing requirements, reviewing Project Deliverables, and providing sign-off on deliverables. Normally these SMEs are experienced individuals within the City that have been authorized to make decisions on behalf of the Project Team. The SMEs may take on various roles throughout the lifecycle of the Project.
Technical Team	City	The technical team will be responsible for all technical support and facilitations for the set-up of the training, testing and production environments as well as deployment of the upgrade releases from Company.
Data Conversion Team	City	This team will assist Company staff in Data Mapping from the existing database. The City team will be responsible for purification of data.
Operations Team	City	This team will be required during the acceptance-testing activity for doing the acceptance testing.

4. Methodology

Company's Project Management and Product Implementation Methodologies are utilized by Company in conjunction with the City's respective methodologies. The methodologies are reflected in the activities that are described in this SOW.

In order to meet Project objectives, Company will utilize the following methodology that is based upon Project Management Institute (PMI) principles, Company's proprietary Integrated Quality Management System (iQMS) methodology, and its extensive experience in implementing complex tax systems. The aforementioned principles and methodologies in conjunction with the "lessons learned" from other similar projects have been taken to develop a "best practices" approach towards implementation of the solution for the City.

This methodology provides for clearly defined milestones to achieve a timely, cost effective, and quality solution for the City. This approach will help exploit synergy with the City and thus lead to achievement of City objectives and the Company mission of "customer delight."

Milestones and reviews will be established between the Project Management at appropriate stages to facilitate Project monitoring, to keep the Project on track, and to see that expectations are in accord - early and continuously. Pre-defined deliverables at the end of each activity will enable the City to track the progress of the Project.

5. Detailed Statement of Work

5.1 Constraints and Assumptions

The following constraints and assumptions apply to all activities outlined in this section – Detailed Statement of Work:

1. The City is responsible for providing and maintaining the physical facilities required for the Project Team; including, without limitation, all of the following: conference rooms; overhead projectors; white boards; a desk, telephone and computer communication hook up for communication with the City's and Company's local and remote systems for each Project Team Member; computers and other facilities for training; printers; access to photocopier, scanner, fax machine; a Project work area; administrative support when requested. City will provide network access to the laptops carried by Company onsite staff. Company computers will comply with security standards defined by the City and be current with virus software. The City will provide their security standards to Company in advance. Company will need Internet access to the Company network for communication. Company staff will also need to have access to the City's network for Project related documents and software. At least one of the conference rooms will be dedicated to the Project Team throughout the Project lifecycle so that the Company on-site team and the City on-site team are easily accessible to each other. The City will make available, as needed, additional conference rooms for breakout meetings that will be required. Company expects to have a maximum of 5 personnel on site at any one time. Company may have additional staff on-site as needed to perform work activities, but these additional staff will not need desk work space. It is anticipated that for additional staff either

existing Company desk work area and/or conference room workspace will be used.

2. The City may provide secure remote access in accordance with the City's security standards as provided. When given such access the contractor will act in accordance with the City's security standards and will only use such access for the purpose of fulfilling the requirements of the agreement.

3. The term "Hardware" as used herein shall mean both the hardware and any system or other third party software required for the Project, other than software that is part of the Tax Mantra Solution. Company has identified the Hardware required to load and operate the Licensed Software and required third party software and to perform Project activities for the phases of the Project. The City will identify and review the final Hardware configuration with Company to ensure sufficient lead times to acquire and make ready the Hardware with effective performance. The City will provide and maintain, in satisfactory operating condition, a working Hardware platform with sufficient capacity to load and operate the Licensed Software and required third party software and to perform Project activities for the Project. The Hardware must have all required network interfaces to provide user access to printing and terminal facilities in at least one training location. Company assumes that the Hardware platform will be fully operational for that activity of the Project prior to Company's arrival on-site for any particular activity.

4. The City will be responsible for system administration and management activities on the platforms belonging to the City, including, but not limited to, establishing regular backup procedures to secure the new operating environment, and general system housekeeping activities. Company will provide information and guidance as to what is expected regarding system administration. Such activities may include, at the request of Company, management of the Licensed Software delivered to or being developed on the City platforms.

5. The City will be responsible for procuring at its cost, the licenses and the support for all components of Imaging, i.e., Impression Software required for implementation of Tax Mantra Solution as required under this SOW, including authorization for Company to use such Impression Software at Company Offshore location for the Project duration.

6. The City will assign a core team staff for the duration of the Project, and will identify additional Subject Matter Experts (SMEs) who will be available as per the Project Schedule and at other times as required for each party to accomplish its work. Each party's staff will be present at all required meetings, training sessions, workshops, and the like. The City's staff will be sufficiently knowledgeable of the City's business processes, technical environment, and detailed subject matter, to answer questions posed by Company, upon which answers Company may rely. The City team members will be authorized by the City to make decisions for the City concerning the requirements and functionality of the system and other aspects of the Project.

7. Each party's performance and effectiveness is dependent in many cases on the timeliness and quality of the other party's activities and deliverables. The City and Company intend to perform and complete work per the Project Schedule in Section 6.1, as it may be modified from time to time by mutual consent. Any Project delays will be documented and escalated to the Steering Committee as part of the Change Request process.

8. Training Expectations: The City will provide knowledgeable employees trained in information services operations, relational database management system administration, and use of the hardware platform on which the applications software is installed. Company will provide end-user training to City or other City designated staff to act as trainers; Company will "train the trainers". Company will provide competent trainers with good communication skills who are knowledgeable of the product and customizations to the product.

9. Deliverables, once accepted by the City, cannot be changed without an equitable adjustment through the Change Request process as defined in the MSA.

10. It is the explicit intent of the parties for the City to utilize the standard Licensed Software plus the functional algorithms referenced in Appendix A: Functions and Features Checklist with modifications based on a review of the functions and features during Gap Analysis. Should the standard Licensed Software not be able to accommodate functionality that may be identified by the City, the City may elect to change its requirement or expand the scope of the Agreement to include investigation of how best to meet the City requirement. Any such expansion of scope will be subject to completion of a Change Request, which is agreed to and executed by the parties.

11. Whenever a Change Request is executed by the parties it shall state the agreed upon adjustment in fees, costs, schedule and other contract terms and conditions, as appropriate. The approval by the City of any Change Request referenced in this SOW shall be subject to the contract approval requirements of the City.

12. The City or Company may need to change any team member assigned to the Project at any time. New City or Company team members will be assigned with the same or similar skill sets as quickly as possible. The City and Company desire to keep all staff assigned to the Project for the duration of the Project; any unanticipated changes to staff on the Project will require analysis of any impact.

13. City will set-up the VPN and FTP access facilities for the Company offshore team and provide appropriate access. Company staff on-site in Glendale will use their own calling cards to call India from City phones.

14. City will be responsible for review and sign-off of all Project Deliverables within 5 business days of submission of the deliverables or other mutually agreed to timeframe. (Where the expected size of the deliverable / review material is large, sections of the deliverables will be scheduled for review during respective Project activity(ies).

15. Any material changes to any of the following require a Change Request for approval, modification or denial, as specified in Section 2 of the MSA: change in scope, cost or schedule.

5.2 Project Management

It is understood and agreed by the parties that all services shall be performed in accordance with the terms of the MSA (including this SOW) and deliverables shall be subject to inspection and approval of the City according to the Acceptance Procedure described in the MSA. Mutually agreeable deliverable acceptance criteria will be developed during the Project Initiation activity and a Certificate of Acceptance will be signed off when either the Company or City deliverable meets the criteria for acceptance. (See Appendix G for a template of the Certificate of Acceptance).

Company will provide the following Project management services:

- A Project Manager to monitor the performance and progress of the overall Project who shall have decision-making authority for those issues where Company is the responsible party. The Company Project Manager shall be reasonably available as needed.
- Project Manager will be responsible for the overall management of the Company Project activities and deliverables as described in this SOW, as well as management of any third party resources hired by Company to provide services within this SOW. Neither the Company Project Manager nor Company shall be responsible for the quality and/or timeliness of activities and deliverables that are solely the responsibility of the City. Such responsibility shall remain vested with the City. Company shall notify the City in accordance with the Communication Plan of any material schedule or quality deviations regarding the Project Deliverables.

The Company Project Manager will coordinate with the City Project Manager to timely accomplish all the scheduled tasks as represented in the attached Project Schedule, Section 6.1.

The City will provide the following Project Management Services:

- An Executive Steering Committee to monitor the performance and progress of the overall Project and who shall have decision-making authority. The Executive Steering Committee shall be reasonably available as needed.
- A Project Manager who has overall responsibility for Project execution. The City Project Manager will direct and manage the City's activities and deliverables as described in this SOW, as well as management of any third party resources hired by the City to provide services as part of this Project. The Company Project Manager is responsible for the overall management of Company resources and will provide guidance and advice as necessary to the City Project Manager. The City Project Manager will maintain communication between the parties, manage the City team members, coordinate the City activities with the Company Project Manager, and provide assistance on activities as needed to keep the Project on schedule. The City Project Manager is responsible for reporting status to the City Steering Committee members. The City Project Manager is responsible for the City's and the City's third party's adherence to the Project Schedule. Additionally,

the City Project Manager will serve as the main contact for the Project and will escalate issues as necessary.

Company is responsible for the quality of Company activities and deliverables; the City is responsible for the City activities and deliverables. It is the understanding that both parties need to be intimately involved in the successful execution of the Project.

	Project Management Activities	Description	Responsibility	
			TCS	City
1.	Company Project Management	Company Project Manager responsible for management of Company team members and sub-contractors. The Company Project Manager directs activities and deliverables for which Company is responsible under this SOW.	P	S
2.	City Project Management	The City Project Manager is responsible for the overall Project schedule and the management of the City's Project activities. The City Project Manager is responsible for working with the Company Project Manager to coordinate activities and deliverables that are the responsibility of the City. In addition, the City Project Manager is responsible for ensuring the quality and timeliness of activities and deliverables of the City staff and sub-contractors.	S	P

	Project Management Activities	Description	Responsibility	
			TCS	City
3.	Planning; Duration Plans	The Company Project Manager is responsible for driving the management of the items or activities listed below, as required. Company Project Manager provides advice and assistance to the City Project Manager. Project Schedule – Company provides schedule of Company activities. This is a joint effort with the City having responsibility to meet their respective business objectives. Project Management Plan that will include the following: • Deliverables Plan • Quality Plan • Risk Plan • Issue Resolution Plan • Change Request Management Process • Project Document Management Plan. • Communication Plan • Project Organization	P	P
4.	Feedback / Reporting	The City Project Manager is responsible for the management of the items or activities listed below. Company Project Manager provides advice and assistance to the City Project Manager. Each Project Manager contributes the content for the activities and deliverables that are their responsibility and other items relative to their respective organizations in accordance with the Communication Plan that may include: Weekly and Monthly Status Reports. Hold Project Team meetings Attend Steering Committee meetings	S	P

	Project Management Activities	Description	Responsibility	
			TCS	City
5.	Strategies	The Company Project Manager will coordinate with the City's Project Manager in the management and delivery of the items or activities listed below. • Conversion strategy • Interfaces strategy • Application Configuration and Maintenance strategy • Hardware and Software Configuration and Management strategy • Test Strategy • Cutover and Rollout Strategy	S	P
6.	Financial / administration Management	The City Project Manager and Company Project Manager are responsible for the management of the items or activities listed below, as appropriate to their organizations and team members. • Invoices & Payment Authorizations • Time reporting • Vacation planning • Payment Schedule • Scope/change control	P	P

5.3 Project Change Management Process

If City or Company makes any proposal for any change, alteration or modification of the agreed Specifications or scope of Services and Deliverables specified in the Agreement a "Change Control Form" shall be prepared (format give in Appendix F). This is done as soon as practicable upon realization that the scope of the Project should be changed. Notification shall be given after Company's receipt of a Change Control Form from City, or if Company desires to propose a Change Control, Company shall prepare and submit to City a written Change Control Form using the same format. Such change request form and process shall include terms and conditions proposed by Company in order to implement the Change Request as soon as reasonably practicable. Such terms and conditions shall include, without limitation, a description of the requested change (the "Change") and an estimate of:

(a) additional fees and expenses payable by City to Company as a result of the implementation of the Change Request; and

(b) any expected impact, if any, the Change Control Form shall have on the Project schedule.

On City's written approval of the Change Control Form, the approved change order proposal ("Change Order") shall become effective, and Company shall take such steps as are necessary to implement the Change Order.

No Change to the Agreement shall be binding on the Parties unless the Change is embodied in a written Change Order. Each of City and Contractor, acting reasonably, shall negotiate the terms and conditions of any Change Request with a view to reaching agreement on such terms and conditions and executing and delivering a Change Order as soon as practicable.

5.4 Project Quality Management

Company and City agree to implement a Project Quality Management Plan utilizing the guiding principles of the Company iQMS. The Project Quality Control Plan will be developed and mutually agreed to during the Gap Analysis activity of the Project.

5.5 Product Implementation

5.5.1 Project Kick-off / Initiation

The purpose of Project Kick-off / Initiation is to prepare for the implementation of the Licensed Software. The main focus is on preparing the Project Team and the infrastructure for the analysis effort. If needed, some scope clarification is performed. A kick-off meeting is held to get the Project Team together (both the City and Company team members). The kick-off meeting will introduce the team to the Company Project Schedule and the process that will be used for implementing the Tax Mantra® Solution. The Licensed Software is presented as part of the Gap Analysis sessions in order to begin the training process for the City's staff. The overview provided is not "traditional" classroom type training but is instead presented in the context of a Gap Analysis session.

5.5.1.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Prepare Draft Project Management Plan	Gather needed information and work on all components of Project Management Plan. This will be input to the Kick-off Meeting presentation. Components of the Project Management Plan include: • Deliverables Plan • Quality Plan • Risk Plan • Issue Resolution Plan • Change Request Management Process • Project Document Management Plan. • Communication Plan • Project Organization	P	P
2.	Prepare Project Kick-off Presentation	Complete and review for acceptance the Project Kick-off meeting presentation.	P	S
3.	Conduct Project Kick-off meeting	Present the Kick-off Meeting presentation and answer questions regarding the implementation approach.	P	S
4.	Refine Company Project Schedule	The overall schedule may be amended and refined upon mutual agreement between Company and the City. Company will draft the initial Company Project Schedule with all Company Project activities. The work tasks and deliverables identified in this Statement of Work will be included in the initial Company Project Schedule to be refined as work progresses. The City will contribute to development and refinement of the plan.	P	P

	Tasks	Description	Responsibility	
			TCS	City
5.	Prepare Acceptance Criteria	City and Company to define Acceptance Criteria for all activities and deliverables as part of this Project activity.	S	P
6.	Project Kick-Off Activity approval	Company and the City to review entire activity and deliverables. Completed with a Sign-off on Acceptance form.	P	P

5.5.1.2 Constraints and Assumptions

Any significant changes in scope from this SOW will be documented as Change Requests to be reviewed and approved or rejected.

The City team members and SMEs in addition to Company staff attend the Kick-Off Activity meeting.

The team facilities (such as the facilities listed at Section 5.1 (1) above are available.

5.5.1.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Project Kick-Off Meeting Presentation	Presentation in MS PowerPoint format	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
2.	Project Kick-off Meeting	Meeting	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
3.	Draft Project Schedule	Electronic MS Project copy	Formal preparation, refinement, and review as part of this activity. (Note this deliverable will be finalized and accepted in the next activity – Gap Analysis)
4.	Acceptance Criteria	Electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
5.	Tax Mantra® Base User Manuals	Electronic (PDF)	Formal acceptance that manuals have been received by the City.

5.5.2 Gap Analysis

During this activity key users will be provided an overview (initial training) of the Tax Mantra® product as part of workshops for Gap Analysis. This overview will help the key users in understanding the functional features of the Tax Mantra® product. This will be followed by Gap Analysis where Company will validate the City requirements against the Tax Mantra® functionality. All the validations and enhancements to the requirements for any implementation sequence will be properly documented in accordance with the product implementation plan. Company will interact with City personnel to fully understand the scope, purpose and implication of each requirement.

Company will prepare a Gap Analysis Document in this activity. This document will contain a matrix that will document the outcome of a match between Tax Mantra® and the City's detailed requirements. This document will also identify the customization and configuration required in Tax Mantra®. Before the commencement of the subsequent activity, City will need to review and approve the Gap Analysis Document in a timely manner.

This activity has the following objectives:

- Provide an understanding of the Tax Mantra® product to key users
- Understand and validate the requirements
- Discuss each functional module using the Tax Mantra® screens
- Match the City requirements with Tax Mantra® and surrounding components functionality
- Document the outcome of a match between Tax Mantra® and City requirements
- Document any major deviations in functionality from the Tax Mantra® product
- Capture the master data, used for configuration of Tax Mantra® with City
- Finalize case flows
- Review the report layouts and correspondence for any changes to the static text with customer
- Review interface sources for data exchange between Tax Mantra® and external systems and finalize the format for data exchange
- Prepare an Acceptance Test Plan that will outline how the system will be tested
- Begin preparing Acceptance Test Scenarios that will detail how each function of the system will be tested to confirm requirements are met.

5.5.2.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Conduct Gap Analysis Work Sessions	Sessions will begin with an overview of each functional module by using the application screens for City SMEs. Sessions will review requirements from the RFP related to each functional module in order to bring necessary clarification to the Company and City team in alignment with Tax Mantra®.	P	S
2.	Conduct meetings to gather requirements, specifications, and detailed data associated with requirements	Conduct one-on-one interviews, workshops, meetings, and review documentation necessary in order to gather information on City requirements.	P	S
3.	Prepare Gap Analysis Document	Company will take results from Gap Analysis Work Sessions along with follow-on discussions and document outcome of match between City requirements and Tax Mantra®.	P	S
4.	Update Project Plan as needed per Gap Analysis	Company and City PM will update the Master Project Plan as needed based upon activities and information as part of this activity. If needed, the formal Change Management Process will be utilized.	P	P
5.	Prepare Acceptance Test Plan (ATP)	City will work to define and finalize a plan for testing the fully implemented system. Company will assist by providing examples of previous ATPs as well as providing answers to questions regarding preparation of plan.	S	P
6.	Prepare Draft Acceptance Test Scenarios	City will work to define Acceptance Test Scenarios that will be used by Acceptance Testers to test the implemented solution. Company will provide assistance by providing examples of previous Acceptance Test Scenarios as well as providing answers to questions regarding preparation of scenarios.	S	P

5.5.2.2 Constraints and Assumptions

- City SMEs and supporting staff must be available to participate in Gap Analysis sessions as scheduled.
- City SMEs and supporting staff must be available to provide follow-on data, documentation, and responses to queries from Company.
- Gap Analysis sessions will be scheduled in advance jointly with City. Company will require conference room large enough to facilitate sessions with a whiteboard and projector.
- City SMEs should have reviewed and be prepared to address questions related to the RFP published requirements.
- City SMEs should be versed in the business processes currently leveraged and potentially leveraged in the future in alignment with Tax Mantra® solution.

5.5.2.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Acceptance Test Plan (ATP)	Electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
2.	Gap Analysis Document	Electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
3.	Draft Acceptance Test Scenarios	Electronic (MS Word)	Formal preparation, refinement, and review as part of this activity. (Note this deliverable will be finalized and accepted in the next activity – Design)

5.5.3 Design

During this activity the design for the requirements further clarified and documented in the Gap Analysis document is prepared. The design will address any needed customizations identified during Gap Analysis that are needed to meet required functionality. The design documents will also encompass identified interfaces and will be used by both the City and Company to complete necessary legacy application modifications and Tax

Mantra® customizations respectively. The City is involved in the review and acceptance of design documents.

The draft Acceptance Test Scenarios that were prepared during Gap Analysis activities are finalized and accepted by Company and City during this activity. Acceptance Test Scripts based on the finalized Acceptance Test Scenarios are drafted during this activity and finalized during the Configuration and Customization activity.

5.5.3.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Prepare High level design documents	Design documents are prepared by Company in alignment with Gaps identified as needing customizations to base Tax Mantra® software.	P	S
2.	Review high level design documents	City in conjunction with Company will review proposed design documents to ensure proposed design will meet City requirements and effectively remediate identified Gaps.	P	P
3.	Design Document (for Legacy Application and other city systems)	Design documents are prepared by City in alignment with Gaps identified as needing customizations legacy applications and /or any other city system and for interfaces.	S	P
4.	Review Design Document (for Legacy Application and other city systems)	Company in conjunction with City will review proposed design documents to ensure proposed design will effectively remediate identified Gaps needing customizations to legacy applications and /or any other city system and for interfaces.	S	P
5.	Finalize Acceptance Test Scenarios	City will work to finalize the details for Acceptance Test Scenarios. Company will review Acceptance Test Scenarios and accept.	S	P
6.	Prepare draft Acceptance Test Scripts	City will work to detail out Acceptance Test Scenarios in the form of Acceptance Test Scripts. This will be a detailed, step-by-step account of how to test a particular portion of functionality that should be present in the system including the required input data and expected output for each step. This will also identify the test data required for these Test Scripts.	S	P

5.5.3.2 Constraints and Assumptions

- Design documents will be prepared by Company in accordance with Company standard format.
- Review and Acceptance of Design documents by City will primarily be from the standpoint to confirm that proposed design meets requirements and addresses Gaps identified during Gap Analysis activities.
- Review and Acceptance of Acceptance Test Scenarios by Company will primarily be from the standpoint to ensure that City is taking reasonable steps and detail necessary to test functionality of Tax Mantra® solution. These Acceptance Test Scenarios will be used additionally during System and Integration Testing activities performed by Company during the Configuration and Customization set of activities.

5.5.3.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Design Documents	Electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
2.	Design Document (for Legacy Application and other city systems)	Electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
3.	Final Acceptance Test Scenarios	Electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
4.	Prepare draft Acceptance Test Scripts	Electronic (MS Word)	Submission of draft Acceptance Test Scripts for review.

5.5.4 Configuration and Customization

This activity covers the configuration and customization of the Tax Mantra® product as per the overall Project plan and in alignment with Gap Analysis document items. The Tax Mantra® baseline solution will be configured so that it can be implemented. Necessary customization components will be coded

and fully tested. Customization includes necessary components to interface to City external systems. This activity includes unit, system, and integration testing activities of the Project for both configured and customized Tax Mantra® solution. This testing will be done at Company location in preparation for the Installation activity that will occur on-site at City.

During this activity Acceptance Test data will begin to be prepared and provided by City. This approach permits the City to define the full extent of the acceptance test, gain assurance that the product is in line with requirements and begin to take ownership of the product.

5.5.4.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Configure Tax Mantra®	Company will configure Tax Mantra® based upon City requirements and items mutually agreed upon and further documented in the Gap Analysis document.	P	None
2.	Customize Tax Mantra®	Company will develop necessary components according to Designs created, reviewed, and accepted during the Design activity of the Project and documented in the Design Document.	P	None
3.	Prepare Unit Test Plan and Unit Test Cases	Company will define Unit Test Plan and Cases needed to test the customizations created.	P	None
4.	Perform Unit Testing	Company will unit test the Tax Mantra® solution to ensure that all customizations are performing as expected and in-line with requirements.	P	None
5.	Prepare System Test Plans and System Test Cases	Company will define System Test Plan and Cases needed to test the configurations setup and customizations created.	P	None
6.	Perform System Testing	Company will System Test the Tax Mantra® solution to ensure that all configurations and customizations are performing as expected and in-line with requirements.	P	None

	Tasks	Description	Responsibility	
			TCS	City
7.	Extract Data	City will extract subsets of data from legacy system(s). This data will be supplied to Company for the purposes of testing the configured and customized solution. This extract will only include a subset of data from legacy sources. The exact data, the volume of data, and the formats of data will be determined jointly between City and Company. Company will determine if data is usable in testing application.	S	P
8.	Update Training Manuals	Company will update and deliver to City training manuals.	P	S
9.	Installation Manual	Company will deliver base Tax Mantra® installation manual(s).	P	S
10.	Data Dictionary Document	Company will deliver a Data Dictionary giving the details of all database objects such Tables, Views etc and their attributes.	P	S
11.	Update User Manual	Company will update and deliver to the City the User Manual.	P	S

5.5.4.2 Constraints and Assumptions

- Configurations and Customizations will be done based upon designs formulated, reviewed, and accepted in previous Design activity.
- All Unit and System Testing will be solely a Company responsibility. This will be done at Company location and City will perform no testing activities.

5.5.4.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	System Tested Configured and Customized Tax Mantra® application	Application Software	City will provide Acceptance through acknowledgement that it has been delivered to City site.

	Deliverable	Deliverable Type	Approval Process
2.	Tax Mantra® Training Manuals	Electronic (PDF)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
3.	Tax Mantra® Installation Manual	Electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
4.	Tax Mantra® User Manual	Electronic (PDF)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
5.	Extracted Data for Testing purposes	Data in files or tables	Formal Sign-off as part of Acceptance that data has been delivered and is usable by TCS testing team. 5% of data – Accounts, periods.
6.	Data Dictionary Document	Electronic	Formal Sign-off as part of Acceptance that Data Dictionary has been delivered and is usable by City. (Certificate of Acceptance)

5.5.5 Installation and Acceptance

This activity will commence with Company installing the application (previously delivered during the Configuration and Customization activity) in the City test environment. This activity is done in a way that City ITD personnel will provide assistance as needed as well as one-on-one support / mentoring in accordance with the training approach outlined in Appendix C – Training.

TCS will conduct the train-the-trainer sessions for City identified Trainers. In turn, City Trainers will need to provide training to City staff identified as Acceptance Testers and all other users of the system. Technical Training will be provided to ITD technical staff during this activity as outlined in Appendix C – Training.

Acceptance test cases and data, pre-defined by the City Project Team, will be used by the City Acceptance test team to test the configured and customized Tax Mantra®. City will report defects encountered in writing to Company. Once a defect has been identified, it will be categorized and classified based on the guidelines established before the beginning of Acceptance testing in accordance with the Test Plan.

Any unresolved defects pending on the last day of the Installation and Acceptance testing activity will be documented and agreed to by City and Company. The next aspect of this activity is correcting all defects found during the Acceptance Tests.

Resolution of the defects by TCS, as per the established acceptance criteria, will constitute acceptance of the configured Tax Mantra® by the City.

The Acceptance Test activity of the Project will require significant interaction and participation from City personnel. The City is expected to ensure that this activity is completed within the scheduled time. For this, it is very important that City assigns personnel on full time basis for this activity.

For the successful completion of this activity, City will have to make sure that the other applications that need to interface with the application must either be available or be simulated to provide sample data as required by the interface files of the application. Also all hardware and software resources as well as sufficient number of City personnel should be available on a full time basis for participation and completion of this activity.

5.5.5.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Preparation of Test Environment	City ITD staff will work to install necessary hardware and software needed in preparation for installing the Tax Mantra® application.	S	P
2.	Install	Company will work with City ITD staff to install Tax Mantra® components into the test environment and verify that all are installed correctly.	P	P
3.	Train the Trainers	Company will conduct training for City identified Trainers. This training will include training for Crystal reports.	P	S
4.	Update User Manual	Company will update the User Manuals to reflect updates needed based upon training and Acceptance Testing Activities.	P	S
5.	User Training	City Trainers will train (minimally) those users that will be conducting Acceptance Testing activities and all other users of the system	S	P
6.	Acceptance Test	City identified Acceptance Testers will perform Acceptance Testing activities per the Acceptance Test Plan, Acceptance Test Scenarios, and Acceptance Test scripts. Defects will be captured, logged, and communicated to TCS throughout this process.	S	P

	Tasks	Description	Responsibility	
			TCS	City
7.	Acceptance Test Defect / Issue Resolution	Company will work with City throughout post Acceptance Testing to resolve and fix identified issues and defects with the configured and customized application.	P	S
8.	Acceptance Test of Defect fixes	City identified Acceptance Testers will perform Acceptance Testing activities for those items identified as defects and subsequently resolved by Company.	S	P
9.	Approval of Application	Company and City will jointly review Installation, Acceptance, and resolution activities and ensure that Acceptance Criteria (defined earlier in the Project) are met.	P	P

5.5.5.2 Constraints and Assumptions

- Installation of configured and customized Tax Mantra will be done in environment that City has prepared and setup. This task may be begun prior to the start of this activity.
- Both formal classroom and one-on-one mentoring and training will be conducted during this activity.
- Acceptance Testing will begin immediately after the training is completed. There will be no gap between these activities.
- Company and City will work jointly to correctly categorize Acceptance Test defects / issues that are reported.
- Acceptance Testing activities will be limited to the duration as outlined in the Project plan. Any change to this duration for any reason will require a Project Change Management Request.
- Testing of fixes for reported Acceptance Test defects will be limited to the duration as outlined in the Project plan. Any change to this duration will require a Project Change Management Request. In addition, Acceptance Testing activities during this period will be limited to testing of fixes for those defects reported.

5.5.5.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Acceptance of Configured Tax Mantra®	Paper (and electronic MS Word copy)	Formal Sign-off and Acceptance that Tax Mantra ® (configured and customized) modules have been delivered, installed, Acceptance Tested, and identified defects resolved. (Certificate of Acceptance)
2.	Updated User Manual	Electronic (PDF)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
3.	Training	Classroom Sessions	Formal Review, Sign-off as part of Activity Acceptance that training has been delivered as planned to City Trainers. (Certificate of Acceptance)

5.5.6 Implementation

Company and the City will carry out this activity jointly and will immediately commence after the completion of acceptance testing of the application. The goal of this activity is to install the Accepted Tax Mantra application in the City's production environment. Company will provide support to the City to conduct the roll out of the application in the City production environment. The City will plan for, prepare, and install the Tax Mantra application in the production environment. Company will provide support to these activities.

5.5.6.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Planning for Production Environment	City will plan for setting up the production environment. This includes all necessary hardware and software for components that are in scope. City is responsible for aligning all necessary City resources (people and infrastructure) needed to plan for the production environment being setup. Company will provide needed support and answer questions related to the setup of the production environment.	S	P

	Tasks	Description	Responsibility	
			TCS	City
2.	Preparation of Production Environment	City will install and configure all necessary hardware and software components needed for the Tax Mantra production environment based upon technical specifications provided by Company and the Plan prepared for this install.	S	P
3.	Verification of Production Environment	City will perform necessary verification that production environment components are installed and configured correctly before Tax Mantra® install takes place. TCS will assist City in performing these verifications.	S	P
4.	Install in Production Environment	City will install Tax Mantra® (core application and all components) into the verified Production Environment. Company will provide support as needed to ensure installation is complete within planned timeframe.	S	P
5.	Final go-live Data Conversion	City will initiate the final Data Conversion routines to migrate data from Source (Legacy) to Target (Tax Mantra®). Final manual clean-up and verification that Data Conversion was successful will be performed by City. Company will support and assist in monitoring Data Conversion routines to help ensure they are completed successfully.	S	P
6.	Go-Live	Upon verification that production install was successful and that data conversion activities are complete and successful the City will communicate to City users that the new Tax Mantra® is live.	S	P

5.5.6.2 Constraints and Assumptions

- Specifications for necessary environment components have been provided to the City and are outlined in Section 7 of this Agreement. Changes to these specifications as a result of Project activities will be communicated to City via formal project communication methods.
- Company will verify and validate necessary components of system environment at City request. Verification will be provided in writing back to City.

- Additional software or hardware needed by City to setup the environment will be procured by City.
- At a minimum, the environment should be ready for Tax Mantra install before start of Install and Acceptance Testing activity.

5.5.6.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Implemented Tax Mantra System in Production Environment	Electronic (Software Components)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)

5.5.7 Onsite Support and Warranty

The Post-Implementation Support (Onsite Support) provided to the City consists of on-site Company staff to address troubleshooting and problem resolution when needed. The Company Tax Mantra® one year warranty period and Onsite Support start on Go Live. The three month period of Post-Implementation support overlaps with the first three months of the warranty period. The services provided during the Onsite Support and warranty period will include analysis, troubleshooting, Tax Mantra maintenance releases and documentation updates.

5.5.7.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	On-Site Support	The on-site support person will be based at the City project work area and will be available onsite for issues reported during the three (3) month onsite support period. The support person's activities include analysis, troubleshooting, program code updates, installation media, and documentation updates. Company on-site support staff will work with primary Tax Mantra support group (off-shore) to provide complete support to City.	P	S
2.	Warranty	Company will provide one (1) year of warranty support to resolve defects encountered	P	S

5.5.7.2 Constraints and Assumptions

- On-Site Support Period will start on Go-Live. See previous activity description for description of Go-Live.

- On-Site Support Period will end three (3) calendar months after start date. For example, if On-Site Support period starts on August 1, 2010 then On-Site Support period will end on October 31, 2010.
- For the three (3) onsite support period, Company on-site support staff will work with Company Tax Mantra support group (offshore) to provide complete support to the City. During the remaining warranty period, City's interactions will be done through standard Tax Mantra® reporting channels (via Tax Mantra Support email and Tax Mantra phone).
- City staff will be available as needed to support the Company On-Site Support staff during their work hours. This may include after hours during the week and on-weekends.

5.5.7.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	On-Site Support Acceptance	Paper (and electronic MS Word copy)	Formal Sign-off that On-Site Support as outlined in this Statement of Work have been provided to City for a period of three (3) calendar months. (Certificate of Acceptance)
2.	Warranty Support Acceptance	Paper (and electronic MS Word copy)	Formal Sign-off that Warranty as outlined in this Statement of Work have been provided to City for a period of 1 year. (Certificate of Acceptance)

5.6 Data Conversion

The Data Conversion activities consist of multiple sub-activities that will be conducted as a "sub-project" within the core Tax Mantra® implementation. The following sub-activities are covered in this section:

- Data Clean-Up
- Data Conversion Study
- Data Conversion Design
- Data Conversion Development and Testing
- Data Conversion Implementation and Acceptance

As part of the initial contract scope, Company team will conduct a Data Conversion Study as per section 5.6.2 mentioned below. At the end of Data Conversion Study, the final scope of data migration will be frozen. This scope will include the number of years of existing data to be migrated and the type of data that needs to be migrated.

Company team will work out an estimate at the end of Data Conversion Study based on the finalized scope. This estimate will cover Data Conversion Design, Development & Testing and Implementation & Acceptance. This change in scope will be addressed as a Change Order. A final decision on this Change Order must be taken by the City within one week of submission of the Change Order to avoid any impact to the Project cost and overall schedule.

The cost for Data Conversion Study has been included in the Implementation Services cost mentioned in Section 12.1 and cost for remaining Data Conversion phases is included in Section 12.3 of this document.

5.6.1 Data Clean-up

During this activity, City will perform activities to clean-up data that has been identified (previous to Project start) as needing clean-up. This may involve manual or programmatic clean-up activities. It may also involve purging and archiving of data from legacy data source(s) so they are not included in subsequent Data Conversion activities.

5.6.1.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Legacy Data Clean-up	City will clean-up data in preparation for Data Migration to Tax Mantra®. Methods used for clean-up are at City's discretion. Company will advise City so that data clean-up efforts can be aligned with data desired in Tax Mantra®. This clean-up activity may run concurrent to other Project activities and may affect the final data conversion effort.	S	P

5.6.1.2 Constraints and Assumptions

- City will use whatever tools, techniques, or manual efforts necessary to clean-up legacy data that they determine applicable.

5.6.1.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Clean Legacy Data	Document of Completion	Sign off by City Project Manager.

5.6.2 Data Conversion Study

During the Data Conversion Study activity, TCS will discuss with the City the scope of data conversion. At the end of this activity, the results of the study including the data conversion plan will be documented in the Data Conversion Requirements Analysis (DCRA) document. This will also contain the layout of Intermediate File formats in which the City will provide the existing data as input to the data conversion application. City should review and approve the DCRA document in a timely manner before the start of the subsequent data conversion activity.

Company will prepare a Change Order for doing data conversion based on the inputs captured in this study phase.

5.6.2.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Finalize Intermediate File layouts	Company will work with City to define the layout needed for intermediate data. This intermediate data source will be where City's data will be extracted before Company takes it to pull into Tax Mantra® data stores.	P	S
2.	Study existing data and data structures	Company will work with City provided data and data structures to understand how legacy data is stored.	P	S
3.	Assess condition of legacy data	Company will work with City to gather and assess portions of representative legacy data to assess how difficult the data will be to migrate. Company will assess both the cleanliness of the data and the structure of the data. City will extract and provide representative samples of jointly agreed upon subsets of data.	S	P
4.	Prepare Conversion Requirements Analysis deliverables	Company will define all requirements for data conversion. This will include but may not be limited to: Intermediate File layouts, business rules for conversion, relationships between data elements and between different data structures, and file mapping matrices.	P	S

	Tasks	Description	Responsibility	
			TCS	City
5.	Prepare change order for Data Conversion	Company will work with the City to finalize the scope of Data Conversion.	P	S

5.6.2.2 Constraints and Assumptions

- The Acceptance Test Plan for Data Conversion will be a part of the Tax Mantra® Acceptance Test Plan defined in Gap Analysis activity of the Project.
- City IT and Business teams will participate in the source-target and target-source mappings, and will provide information and clarification to the Company team.

5.6.2.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Data Conversion Requirements Analysis Document	Paper (and electronic MS Word copy)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
2.	Approved Data Conversion Change Order	Paper	Formal approval by the City.

5.6.3 Data Conversion Design

This will be taken up only if the Data Conversion Change Order is approved by the City.

During this activity, the primary objective will be to design the data conversion programs including extraction, purification and load programs. This design will be based on the Intermediate File formats defined during the Data Conversion Study activity. At the end of this activity, the results will be documented in Design documents. Prior to the commencement of the subsequent activity, City and Company will review and accept these Design documents.

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5.6.3.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Prepare Data Conversion Design Specifications – Extract Programs & Load Programs	Company will create design specifications for extraction of data from Legacy data source(s) to the intermediate file layouts previously defined during the Data Conversion Study activity. Company will create design specifications for load programs into the Tax Mantra® intermediate Data Base from intermediate files. Company inputs will be from intermediate file layouts previously defined during the Data Conversion Study activity. City will review and approve these specifications.	P	S
2.	Prepare Data Conversion Acceptance Test Scenarios	City will work to define Data Conversion Acceptance Test Scenarios that will be used by Acceptance Testers to test the implemented solution using migrated data. Company will provide assistance by providing examples of previous Acceptance Test Scenarios as well as providing answers to questions regarding preparation of scenarios.	S	P

5.6.3.2 Constraints and Assumptions

- The design for the Data Conversion Extract programs will be written by the City. The City team will be responsible for review of the same.

5.6.3.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Data Conversion Design Document	Paper (and electronic MS Word copy)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
2.	Data Conversion Acceptance Test Scenarios	Paper (and electronic MS Word copy)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)

5.6.4 Data Conversion Development and Testing

This will be taken up only if the Data Conversion Change Order is approved by the City.

This activity covers the programming, unit testing and system testing activities of the data conversion application and extraction programs. It includes development of programs using the program specifications, unit testing of these programs and system testing of the application. Technical clarifications for the Project Team will be obtained from City by the TCS on-site coordinator.

5.6.4.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Develop Data Conversion Extraction Programs & Load Programs	Company will code the extraction programs to move Legacy data source(s) to the intermediate file layouts previously defined during the Data Conversion Study activity. Company will also code load programs from moving data into the TM intermediate Database from intermediate files. Company inputs to these programs will be from intermediate file layouts previously defined during the Data Conversion Study activity.	P	S
2.	Prepare Unit Test Cases	Company will prepare necessary Unit Test Cases to test extraction and load of migrated data.	P	S
3.	Perform Unit Testing	Company will execute Unit Test Cases to confirm modules are performing as expected and per specifications.	P	S
4.	Prepare System Test Cases	Company will prepare necessary System Test Cases to test respective multiple components of extraction and load of migrated data.	P	S
5.	Perform System Testing	Company will execute System Test Cases to confirm modules are performing as expected and per specifications. System testing will be performed where there are multiple components / modules that need to be executed in succession in order to achieve either the intermediate file layout or creation of data into the intermediate Tax Mantra® Database tables.	P	S

	Tasks	Description	Responsibility	
			TCS	City
6.	Prepare Data Conversion Test Bed	City and Company will work jointly to handoff data where applicable so that multiple components of the Data Migration design can be run in succession to test overall effectiveness in migrating data. City and Company will work together to determine where this level of preparing the Data Conversion Test Bed is applicable. It is expected that multiple iterations will be run. Each iteration will be run with progressively more data into each iteration.	P	P
7.	Provide sample data	City will provide sample data to the Company offshore team to test the extract and load programs. Company will provide feedback on the rejected data to City.	S	P
8.	Delivery of Data Conversion Programs	Company will deliver their extraction and load programs to the City test environment for subsequent Implementation.	P	P
9.	Prepare Data Conversion Acceptance Test Scripts	City will define the details for the Data Conversion Acceptance Test Scenarios in the form of Acceptance Test Scripts. These scripts will define how the application will be tested with migrated data.	S	P

5.6.4.2 Constraints and Assumptions

- City will test the extraction programs internally before the sample data is provided to Company for testing the load programs.
- Company will test the load programs using manually created data until sample extraction data is provided by City. The manual creation of data will be based upon the specifications of the intermediate file layout and the Data Conversion Study.

5.6.4.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	System Tested Data Conversion Programs	Programs	Formal Sign-off as part of Activity Acceptance that modules have been delivered. (Certificate of Acceptance)

	Deliverable	Deliverable Type	Approval Process
2.	Data Conversion Acceptance Test Scenarios	electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)
3.	Data Conversion Acceptance Test Scripts	electronic (MS Word)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)

5.6.5 Data Conversion Implementation and Acceptance

This will be taken up only if the Data Conversion Change Order is approved by the City.

The acceptance testing of the application with converted data and the acceptance testing of the configured and customized Tax Mantra® product will be carried out independently. The acceptance of the data conversion application should be completed before the start of Tax Mantra® acceptance testing.

This activity will commence with Company installing the data conversion application at City's site in the test environment. City is expected to arrange that the acceptance testing using converted data commence immediately, using the acceptance test cases and associated data supplied to Company earlier. Defects reported by City, in writing during this period, will be rectified as per the mutually agreed acceptance criteria. City may have to modify extraction programs and Company may have to modify load programs based upon situations encountered. This activity of the Project will require significant interaction and participation from City personnel. City is expected to ensure that this activity is completed within the scheduled time.

5.6.5.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Install Data Conversion Programs	City will set up the test environment including servers and databases. Company and City will install the Data Conversion Load Programs in test environment.	P	P
2.	Provide Sample data	City will provide sample data to Company to test Extract and load programs.	S	P

	Tasks	Description	Responsibility	
			TCS	City
3.	Acceptance Testing of Data Conversion Programs	The data conversion extract and load programs will be executed. The loaded data in Tax Mantra® database will be verified by the City. The City will accept the programs based on the test scripts defined earlier.	S	P
4.	Resolve and Verify reported defects	All rejected records and other errors will be analyzed. The errors in Data Conversion Programs will be fixed by the Company. City will provide necessary support and guidance in analyzing the issues.	P	P
5.	Resolve and Verify identified data clean-up	City will resolve all issues and errors related to data clean-up and purification.	S	P
6.	Sign-off and Acceptance of Data Conversion Programs	City will provide an acceptance of the Data Conversion programs.	S	P
7.	Mock Conversion with Incremental volume of data	Complete cycles of extraction and load routines will be done for 5% of data, 50% of data and 100% of data to be converted.	P	P

5.6.5.2 Constraints and Assumptions

- The acceptance of Data Conversion will be dependent on both the extraction and the load programs.
- Interaction is very high during this activity to perform troubleshooting, analysis, and solution identification between City business and ITD staff and Company.

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5.6.5.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Acceptance of Data Conversion Programs	Paper (and electronic MS Word copy)	Formal Sign-off as part of Activity Acceptance that data conversion modules have been delivered, installed, and run to convert data. Further that Acceptance Tests against migrated data were successful by the City.(Certificate of Acceptance)

5.7 Imaging

The Imaging activities consist of multiple sub-activities that will be conducted as a "sub-project" within the core Tax Mantra implementation. The following activities are covered in this section:

- Requirements Definition / Detailed Design
- Development / Customization
- Installation
- Training
- Acceptance Testing
- Post Acceptance Testing Support

5.7.1 Requirements Definition / Detailed Design

5.7.1.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Requirements Definition	The first section of the RD/DD combined document listing the solution requirements that will be tested during Acceptance	P	S
2.	Forms Redesign Workshop	Recommendations regarding the redesign of standard forms to optimize automated ICR/OCR recognition; included in RD/DD	P	S
3.	Create Detailed Specifications	Final System Design specifications that will document the customization of the iCapture.	P	S

5.7.1.2 Constraints and Assumptions

- City will provide in advance of the Forms Redesign effort samples of the current forms that are in use today.
- The City will maintain the responsibility for the final design of all forms and for the normal reproduction of these forms to support tax operations
- City Subject Matter Experts must be available as required during the interviews and working sessions to complete the RD/DD.

5.7.1.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Requirements Definition and Design Document (RD/DD) including Forms Redesign Specifications	Paper (and electronic MS Word copy)	Formal Review, Sign-off as part of Activity Acceptance. (Certificate of Acceptance)

5.7.2 Development / Customization

5.7.2.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Perform Customization of Imaging Application Components	Once the City approves the final RD/DD the iCapture software is customized in accordance with this document	P	S
2.	Factory Acceptance Test	Factory Acceptance Test (FAT) will be conducted at the Impression facilities in Walnut Creek, California. Company and City staff may participate in this activity.	P	S
3.	Create Distribution Release	On completion of FAT, a complete distribution release media will be developed and tested to support the on-site installation and integration.	P	S

5.7.2.2 Constraints and Assumptions

- City and Company staff may participate in the FAT activities. Company and City will be responsible for the travel and lodging expenses of their respective staff.
- The forms that will be used for final Acceptance must be available at least two weeks prior to the start of FAT, whether redesigned or "as-is".
- Customization and FAT activities will be done based on the approved RD/DD document accepted in the previous activity.
- City will be required to provide FAT materials based on the approved RD/DD, including the versions of the final forms to be processed.

5.7.2.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Delivered Distribution Release	Electronic	Formal Sign-off as part of Activity Acceptance that Distribution Release has been delivered.(Certificate of Acceptance)

5.7.3 Installation

5.7.3.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Installation and Preparation of Target Imaging Environment	All required hardware as defined within the RD/DD including the defined Operating systems, backup software, domain security / privileges, networks are setup by City in preparation for installation of Imaging Components.	S	P
2.	Install of Imaging Components	The Distribution Release created in the previous activity is used to install the iCapture and Imaging components onsite at City. At its discretion, ITD staff of City is invited to participate in the required installation and integration tasks as these individuals will have an on-the-job training (OJT) opportunity.	P	S

	Tasks	Description	Responsibility	
			TCS	City
3.	Deliver Documentation	Documentation for Imaging Components is delivered to City. The following will be delivered: • iQueueMonitor Configuration Guide • iNetDispatch Configuration Guide • iEditor Configuration Guide • iStatViewer Configuration Guide • iQMonitor User Guide • iScan User Guide • iEditor User Guide • iStatViewer User Guide	P	S

5.7.3.2 Constraints and Assumptions

- Install will be to single "physical" environment at City and the City will be responsible for the installation, configuration and unit testing of the *planned Data Capture and Imaging infrastructure* per the requirements of the approved RD/DD.
- The City will be responsible for all networking and communications per the requirements of the RD/DD.
- Multiple "logical" environments can be configured during install if specified within the approved RD/DD and supported by the installed City infrastructure.
- City is responsible for the definition of the roles-based security model for system end users and the configuration of this model within the Active Directory supporting the designated Data Capture and Imaging domain.
- City staff will be available to assist in the resolution of any infrastructure issues or defects during the installation period.

5.7.3.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Documentation	Paper	Formal Sign-off as part of Activity Acceptance that Imaging Documentation has been delivered.(Certificate of Acceptance)
2.	Installed Imaging Components	Electronic	Formal Sign-off as part of Activity Acceptance that Imaging Components have been installed.(Certificate of Acceptance)

5.7.4 Training

5.7.4.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Training Participants	City will need to identify participants for training and ensure they are scheduled on needed days.	S	P
2.	Prepare Training Materials	Company will prepare training materials to be used in training for Data Capture and Imaging hardware and software.	P	S
3.	Prepare Training Environment	City will setup and schedule the training classroom. Access to the Data Capture and Imaging environment and needed setup will be done prior to the classes.	S	P
4.	Conduct Training	Onsite training that is comprised of both formal classroom sessions and 'hands-on' practice so that the designated staff can become proficient in the management, operations and support of the delivered Imaging components.	S	P

5.7.4.2 Constraints and Assumptions

- City will need to prepare / schedule classrooms for training. This includes a workstation for each attendee connected to the LAN.

- All classes are limited to a maximum of five (5) attendees.
- Company will work with City to identify staff to attend training. This should include City staff who will be responsible for training additional staff (due to class size limits) as well as future City staff. This will be a "Train-the-Trainer" approach for the use of the installed imaging solution.
- Training will be done using the previously installed environment of the City.

5.7.4.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Training Materials	Paper / Electronic	Formal Sign-off as part of Activity Acceptance that Training Materials have been delivered.(Certificate of Acceptance)
2.	Training Sessions	Classroom Sessions	Formal Sign-off as part of Activity Acceptance that classroom training sessions have been held with City staff.(Certificate of Acceptance)

5.7.5 Acceptance Testing

5.7.5.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Prepare Acceptance Test Scripts based on the approved RD/DD	Test Scripts for Data Capture and Imaging to demonstrate compliance with City requirements cited in the approved RD/DD.	P	S
2.	Execute the Data Capture and Imaging Test Scripts of the Acceptance Test Plan	Execute each Test Script with the participation of appropriate City staff.	P	S

5.7.5.2 Constraints and Assumptions

- Internal Company System level testing completed and no identified defects that would prevent the successful completion of Acceptance Tests.
- Training completed.
- All required test materials for the execution of each test prepared by the City and ready for use.
- City staff available as required throughout the duration of the Acceptance Tests.

5.7.5.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Acceptance Test Plan Scripts	Paper / Electronic	Formal Sign-off as part of Activity Acceptance that Acceptance Test Plan Scripts have been delivered.(Certificate of Acceptance)
2.	Acceptance Test Materials	Paper / Electronic	Formal Sign-off as part of Activity Acceptance that Acceptance Test Plan Material have been prepared and used as part of Acceptance Testing. (Certificate of Acceptance)
3.	Acceptance of iCapture and Imaging Application	Electronic	Formal Sign-off as part of Activity Acceptance that iCapture and Imaging applications have been accepted. (Certificate of Acceptance)

5.7.6 Post Acceptance Test Support

5.7.6.1 Tasks

	Tasks	Description	Responsibility	
			TCS	City
1.	Onsite support	Company, through Company Imaging Subcontractor, Impression Technology, will provide 5 days of onsite support once the application has been accepted by the City. This on-site support can be scheduled any time after AT but it must be 5 continuous days on-site.	P	S

	Tasks	Description	Responsibility	
			TCS	City
2.	Onsite Support – Tax Mantra Go Live	Company, through Company Imaging Subcontractor, Impression Technology, will provide 5 consecutive days of onsite support during implementation of Tax Mantra®. Additional on-site support can be scheduled any time after AT but it must be 5 consecutive days on-site..	P	S
3.	Warranty Support	TCS will provide one (1) year of warranty support to resolve defects encountered	P	S

5.7.6.2 Constraints and Assumptions

- Acceptance Testing successfully completed.
- Warranty period begins with production operations of Data Capture and Imaging.
- Five (5) days of on-site support must be scheduled a minimum of two weeks in advance.

5.7.6.3 Exit Criteria

	Deliverable	Deliverable Type	Approval Process
1.	Onsite Support (At Imaging Go Live)	Services	Completion of 40 hours of support after Acceptance Test;
2.	Onsite Support (At Tax Mantra Go Live)	Services	Completion of 40 hours of support after Acceptance Test;
3.	Warranty	Services	Support for City staff in accordance with the Impression Technology Maintenance and Support Plan.

6. Project Schedule and Cost

6.1 Project Schedule

A high level schedule of the Tax Mantra® Solution is provided in the Appendix D. The schedule will be refined and become more detailed during the Project. The

schedule may be amended to increase scope only upon mutual agreement between Company and the City, as described and approved in a Change Request, with equitable adjustment.

6.2 Project Detailed Cost

Project scope has been defined by the City and Company. Based upon professional experience, Company has provided the City with estimates of the work effort required to successfully complete this Project. As a result, Company is expected to provide the level of work effort and associated pricing as stated within this agreement. If either party modifies the scope of this Project it will be documented using the Project Change Control Process and be mutually agreed to by Company and the City. The impact of changes on the Project Schedule and cost will be documented as part of the change control process and will be incorporated as part of the change control request and approval process.

Company will provide the professional services and training services identified in this Statement of Work on a fixed price basis as specified in the Appendix E along with the payment schedule.

Invoices will be submitted along with Project Deliverables due from Company. Payment will be due forty five (45) days after submission of invoice.

Expenses have been included within Company's' fixed price. The City will not be charged for any expenses incurred by Company. However, the City will pay actual expenses for any travel required outside the City if required as part of this Project.

7. Server Hardware and Software Requirements

The hardware configuration listed below is specific to the Licensed Software and applies to a dedicated hardware and software environment. These sizing will be reviewed as part of the Gap Analysis activity.

7.1 System Server Sizing

Server sizing is based on the number of users, service points, quantity of on line history and level of customization. Company recommended server sizing is based on a Company projected load of 50 users.

7.2 TCS Recommendation

Based upon these sizing considerations Company has recommended the following minimum server configurations. Company has reviewed and confirmed that the following configurations will support the use of the Licensed Software. The City will work with Company on a final configuration during Project Initiation and the Gap Analysis Activities.

The following diagram and table captures notes associated with the Tax Mantra® system diagram. Please note that specifications are for the PRODUCTION Tax Mantra® environment and include all components proposed for the City including:

- Tax Mantra
- E-Tax

- Imaging (includes iCapture)

Company recommends that for the separate Test / Development environment the specifications follow those as outlined for the Production environment. This will ensure that application and performance testing will reflect "production like" environment.

The following table describes third party software required to deploy Tax Mantra® and e-Tax solution.

The City may elect to operate Tax Mantra® in a Virtual Machine environment. If required, Tax Mantra® operates in a Virtual Machine environment.

Additionally, the City may elect to deploy Tax Mantra® on SQL Server 2008, Windows Server 2008 operating system. Company will work with the City to evaluate the feasibility of a deployment of Tax Mantra® on SQL Server 2008 and Windows 2008. Tax Mantra® can meet these requirements but analysis of third party components must be conducted to determine if they are qualified to run under SQL Server 2008 and Windows Server 2008.

Company will prepare and present the City with a final listing of all necessary software as determined during Gap Analysis.

Tax Mantra	
Adhoc Reports	COGNOS
Application Server	Weblogic 9.3
Web Server	Microsoft IIS 6.0
Internet security	SSL certificate
Database	SQL Server 2005
Canned Reports and Correspondence	Crystal Report Designer & Crystal Report Server to be supplied by the Company.[1]
E-Tax	
Application Server	Tomcat 5.5
Web Server	Microsoft IIS 6.0
Internet security	SSL certificate

[1] Crystal Report Designer and Crystal Report Server to be supplied by the Company

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Database	SQL Server 2005
Imaging	
Database	SQL Server 2005
Document Management	WebXtender
Ad Hoc and Custom Reporting	
Adhoc Reports	Crystal Report designer & Crystal report server XI

Table 1: Third Party Software

The following table describes the recommended hardware for Production environment:

Hardware	Software Installed	Purpose	Quantity
(Pentium, Xeon MP 3.33GHz, 1MB) X 4; 36.4GB X 810K-rpm SCSI HS SL HDD; 8GB RAM	• Operating System: Windows 2003-Enterprise edition • Application Server: Weblogic 9.3	Application Server for Tax Mantra®	2
(Pentium, Xeon MP 3.33GHz, 1MB) X 2; 36.4GB X 810K-rpm SCSI HS SL HDD; 4GB RAM	• Operating System: Windows 2003-Enterprise edition • HTTP (IIS 6.0) server	Web Server for Tax Mantra®	1
(Pentium, Xeon MP 3.33GHz, 1MB) X 2; 36.4GB X 810K-rpm SCSI HS SL HDD; 4GB RAM	• Operating System: Windows 2003-Enterprise edition • Crystal Report Server XI Rel 2	Report Server for Tax Mantra®	1
(Pentium, Xeon MP 3.33GHz, 1MB) X 4; 36.4GB X 810K-rpm SCSI HS SL HDD; 8GB RAM	• Operating System: Windows 2003-Enterprise edition • Database Server: SQL Server 2005 SP2	Database server	2
(Pentium, Xeon MP 3.33GHz, 1MB) X 2; 36.4GB X 810K-rpm SCSI HS SL HDD; 4GB RAM	• Operating System: Windows 2003-Enterprise edition • Application Server: Tomcat 5.5	E~Tax Application Server	2
(Pentium, Xeon MP 3.33GHz, 1MB) X 2; 36.4GB X 810K-rpm SCSI	• HTTP (IIS 6.0) server	E~Tax Web Server	1

HS SL HDD; 4GB RAM			

Table 2: Recommended Hardware – Tax Mantra®

Tables 11, 12, and 13, which follow, provide the preliminary specifications for all required Imaging solution hardware. These specifications will be fully determined during the Detailed Design. Table 11 provides the information on a Kodak scanner that has been successfully used on the other similar projects. Tables 12 and 13 provide the preliminary specifications for the two recommended iCapture Servers and these specifications will also be confirmed with the City during the design phase of the engagement.

iCapture Scan Station Hardware	Description	Quantity
PC	Intel® Core™2 Duo Processor E6300 (2MB L2 Cache,1.86GHz,1066 FSB), 1GB RAM, 160GB ATA HD with 20" Flat Panel Monitor	2
Scanner	Kodak i260 Scanner Document Capture Scanner	2
Options	Kodak i200 (i250 i260 i280) Scanner Series Kodak Dockable Flatbed	2

Table 3 Recommended Scanning Subsystem Hardware

iCapture Image Server Hardware	Description	Quantity
PowerEdge 1950 III	Dual Core Intel® Xeon® E5205, 6MB Cache, 1.86GHz, 1066MHz FSB	1
Additional Processors	Dual Core Intel® Xeon® E5205, 6MB Cache, 1.86GHz, 1066MHz FSB	
Memory	8GB 667MHz (4x2GB), Dual Ranked DIMMs	
Backplane	1x2 Backplane for 3.5-inch Hard Drives	
Hard Drive Configuration	Integrated SAS/SATA No RAID, SAS 5/i Integrated	
Primary Controller	SAS 5/i Integrated, No RAID	
2nd Controller and HBAs	None	
Primary Hard Drive	146GB, SAS, 3.5-inch, 15K RPM Hard Drive	
2nd Hard Drive	146GB, SAS, 3.5-inch, 15K RPM Hard Drive	
3rd Hard Drive	None	
4th Hard Drive	None	

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Network Adapter	Dual Embedded Broadcom® NetXtreme II 5708 Gigabit Ethernet NIC	
PCI Riser	Riser with 2 PCIe Slots	
Chassis Configuration	Rack Chassis w/Sliding Rapid/Versa Rails and Cable Management Arm,Universal	
Tape Backup Software	None	
Operating System	Windows Server® 2003 R2, Standard Edition, Includes 5 CALs	
Documentation	Electronic Documentation and OpenManage CD Kit	
Additional Documentation	None	
Bezel	Rack Bezel	
Power Supply	Redundant Power Supply with Y-Cord	
Remote Management	Dell Remote Access Card, 5th Generation for PowerEdge Remote Management	
CD/DVD Drive	24X IDE CD-ROM	
Server Accessories	None	
Mouse	No Mouse Option	
Hardware Support Services	3Yr GOLD ENTERPRISE SUPPORT: 7x24 HW/SW,Escalation Mgmt,4hr 7x24 Onsite	

Table 4 iCapture Image Server Preliminary Specifications

iCapture SQL Server Hardware	Description	Quantity
PowerEdge 1950 III	Dual Core Intel® Xeon® E5205, 6MB Cache, 1.86GHz, 1066MHz FSB	1
Additional Processors	Dual Core Intel® Xeon® E5205, 6MB Cache, 1.86GHz, 1066MHz FSB	
Memory	8GB 667MHz (4x2GB), Dual Ranked DIMMs	
Backplane	1x2 Backplane for 3.5-inch Hard Drives	
Hard Drive Configuration	Integrated SAS/SATA No RAID, SAS 5/i Integrated	
Primary Controller	SAS 5/i Integrated, No RAID	
2nd Controller and HBAs	None	
Primary Hard Drive	146GB, SAS, 3.5-inch, 15K RPM Hard Drive	
2nd Hard Drive	146GB, SAS, 3.5-inch, 15K RPM Hard Drive	
3rd Hard Drive	None	

4th Hard Drive	None	
Network Adapter	Dual Embedded Broadcom® NetXtreme II 5708 Gigabit Ethernet NIC	
PCI Riser	Riser with 2 PCIe Slots	
Chassis Configuration	Rack Chassis w/Sliding Rapid/Versa Rails and Cable Management Arm,Universal	
Tape Backup Software	None	
Operating System	Windows Server® 2003 R2, Standard Edition, Includes 5 CALs	
Documentation	Electronic Documentation and OpenManage CD Kit	
Additional Documentation	None	
Bezel	Rack Bezel	
Power Supply	Redundant Power Supply with Y-Cord	
Remote Management	Dell Remote Access Card, 5th Generation for PowerEdge Remote Management	
CD/DVD Drive	24X IDE CD-ROM	
Server Accessories	None	
Mouse	No Mouse Option	
Hardware Support Services	3Yr GOLD ENTERPRISE SUPPORT: 7x24 HW/SW, Escalation Mgmt,4hr 7x24 Onsite	

Table 5 iCapture SQL Server Preliminary Specifications

8. Appendix A - Functions and Features

The functions and features are defined in the RFP and in the Company response to RFP requirements. The functions and features originally defined in the RFP and further refined and detailed in the subsequent Company response to RFP requirements (Dated June 4, 2009 Proposal), are attached to this document and form the basis for the work to be performed under this SOW.

9. Appendix B – Interfaces

The following interfaces will be implemented as part of the customization for the City:

(1) **PeopleSoft GL (v 8.8)** - Tax Mantra® needs to interface with PeopleSoft v 8.8. This includes interface with PeopleSoft GL and interface for passing data on business refunds to the PeopleSoft payables management system. There will be one interface file for GL and one interface file for Refunds.

(2) **System Innovators-iNovah Cashiering** - Tax Mantra® needs to interface with iNovah Cashering system. There will be one interface file for iNovah Cashiering interface.

10. Appendix C –Training

The following describes the suggested training methodology approach for the City.

Training Approach

The City is dedicating full time resources to the Tax Mantra® project. One objective to this commitment of staff is to begin the process of the City staff taking ownership of the system before, during and, most importantly, after implementation. Company encourages and appreciates this level of support to the Project.

Further, Company recommends that City staff be actively involved in the user training of Tax Mantra®. Experience has shown that system acceptance is achieved with better results through a Train-the-Trainer approach. For City , Company is proposing a Train-the-Trainer approach. Under this approach, system ownership occurs during the train the trainers sessions and in the user training sessions, the users are more comfortable learning and collaborating with their peers. Company has successfully followed this approach for multiple client engagements.

Training is provided to key City staff and these staff members will be responsible for training other City staff as identified by the City. It is recommended that the set of trainees trained by the Company staff include Project Team Members, Administrative staff and staff with Tax Processing experience.

In addition to the "trainers" identified by the City to participate in training, the City will need to identify a Training Manager. The Training Manger from the City will be responsible for certain administrative functions such as attendance, class reporting and others. In order to assure a quality training experience, Company recommends a class size of no more than ten (10) participants. Courses will be conducted interactively, with students performing the tasks on their workstations after the trainer has discussed them. The trainer will lead the students through the tasks.

Company will conduct one 5 day session for Tax Mantra® training including e~tax, administration and configuration training for upto 10 participants. This will be a five (5) day training course conducted together for the ten (10) users.

Company will also provide Crystal Reports developer training for up to ten (10) users to enable them to design new reports and forms in Crystal Reports and configure the same in Tax Mantra®. This will be a three (3) day training course conducted together for the ten (10) users.

Company requests that classroom facilities be fully operational no later than one week prior to commencement of training. Both training of the City trainers and subsequent training of all City staff will be coordinated with other Project tasks and will be conducted prior to testing of the system.

Training Plan

Implementation of the training plan will include the following steps and be part of the detailed plan for the entire Project:

- Identify City Training Manager
- Identify City Trainers
- Identify City staff to be trained

- Define / Discuss training environment needs
- Assess training material updates
- Update training materials as needed
- Deliver training materials
- Assist in mapping City staff to roles
- Update course content, based on any specific customization
- Confirm course to role course mappings
- Deliver training to City Trainers
- Assist in evaluating City Trainer effectiveness

Training Methods

Training will be delivered with a combination of Classroom training, Hands On training, One on One Support/Mentoring, and Technical Training.

- **Classroom Training:** The classroom training sessions are those in which the audience will be assembled in a classroom and the Company personnel will conduct classroom style training. These sessions will comprise presentations, demonstrations and clarifications, based on either the functional prototype or the application, if the training environment is available at the time of these sessions. The training manuals will be the training aid for conducting these sessions. This will also include training for Tax Mantra® product and design reports using Crystal Reports Designer.
- **Hands-On Training**: Hands on Training will be conducted by the onsite support Company staff on the job.
- **One-on-One Support / Mentoring**: This training will involve a City resource being involved side-by-side with the Tax Mantra® support person. This will aid in knowledge transfer and build up of application knowledge.
- **Technical & Administration Training:** The technical & administration training sessions will be conducted in the same way as that of the classroom training except the audience in the technical training session will be the IT Staff. These sessions are targeted to those responsible for operations of the system. Primary attendees will be IT. However, business experts may attend the session on Correspondence Maintenance.

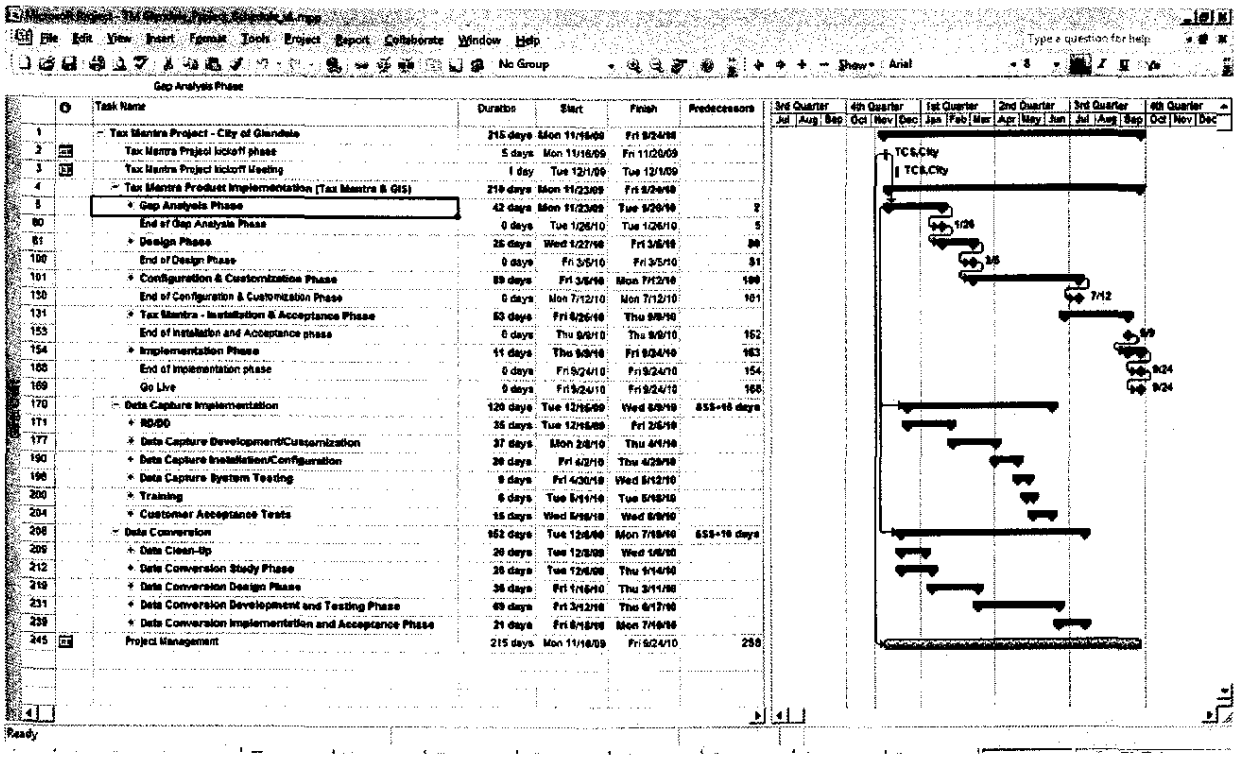
Impression Formal Training Courses

The Table below provides a description of the formal Training Classes that will be conducted by Impression Technology.

Courses Title	Duration	Prerequisite	Description
iQMonitor User Training	½ day	Students should have Windows	This course introduces *iCapture*™ and the related components to the key data

Courses Title	Duration	Prerequisite	Description
		experience including the use of a mouse prior to attending this class.	entry managerial or supervisory staff. It will cover all aspect of monitoring the system using the ***iQMonitor*** utility.
iStatViewer User Training	½ day	Students should have Windows experience including the use of a mouse prior to attending this class.	This course introduces ***iStatViewer*** and ***iStatistics*** to the potential users interested in generating reports to evaluate performance and productivity of users and processes on the system.
iCapture™ Administration Training	2 days	Students should have basic Windows 2003 server and XP workstation administration experience.	This course introduces ***iCapture***™ and the related components to the system administrative and development staff. It will cover all aspect of configuring, monitoring, and troubleshooting the system.
iFormEdit User Training	½ day	Students should have Windows experience including the use of a mouse prior to attending this class. Basic knowledge of programming language may be useful.	***iFormEdit*** is a form definition tool that is used to introduce forms into the system. It allows the form administrator and development staff to map and associate various field-attributes to specific region of the form image for the purpose of recognition and data capture. A well-defined and carefully thought-out form definition will improve the recognition accuracy, and the system throughputs.
iSL Developer Training	½ day	Some programming language experience may be useful.	Form related, application-specific business rules may easily be expressed in ***iSL*** and captured data may be validated and "scrubbed" before presentation to ***iEditor*** operators or export. This course will introduce the ***iSL*** language syntax, built-in functions, development approach, and troubleshooting techniques.

11. Appendix D – Project Schedule



	Task Name	Duration	Start	Finish	Predecessors
1	Tax Mantra Project - City of Glendale	215 days	Mon 11/16/09	Fri 9/24/10	
2	Tax Mantra Project kickoff phase	5 days	Mon 11/16/09	Fri 11/20/09	
3	Tax Mantra Project kickoff meeting	1 day	Tue 12/1/09	Tue 12/1/09	
4	Tax Mantra Product Implementation (Tax Mantra & GIS)	219 days	Mon 11/23/09	Fri 9/24/10	
5	Gap Analysis Phase	42 days	Mon 11/23/09	Tue 1/26/10	2
60	End of Gap Analysis Phase	0 days	Tue 1/26/10	Tue 1/26/10	5
61	Design Phase	25 days	Wed 1/27/10	Fri 3/5/10	60
100	End of Design Phase	0 days	Fri 3/5/10	Fri 3/5/10	61
101	Configuration & Customization Phase	89 days	Fri 3/5/10	Mon 7/12/10	100
130	End of Configuration & Customization Phase	0 days	Mon 7/12/10	Mon 7/12/10	101
131	Tax Mantra - Installation & Acceptance Phase	53 days	Fri 6/25/10	Thu 9/9/10	
153	End of Installation and Acceptance phase	0 days	Thu 9/9/10	Thu 9/9/10	152
154	Implementation Phase	11 days	Thu 9/9/10	Fri 9/24/10	153
168	End of Implementation phase	0 days	Fri 9/24/10	Fri 9/24/10	154
169	Go Live	0 days	Fri 9/24/10	Fri 9/24/10	168
170	Data Capture Implementation	120 days	Tue 12/15/09	Wed 5/5/10	655+10 days
171	RD/DD	35 days	Tue 12/15/09	Fri 2/5/10	
177	Data Capture Development/Customization	37 days	Mon 2/8/10	Thu 4/1/10	
190	Data Capture Installation/Configuration	20 days	Fri 4/2/10	Thu 4/29/10	
196	Data Capture System Testing	9 days	Fri 4/30/10	Wed 5/12/10	
200	Training	6 days	Tue 5/11/10	Tue 5/18/10	
204	Customer Acceptance Tests	15 days	Wed 5/19/10	Wed 6/9/10	
208	Data Conversion	152 days	Tue 12/8/09	Mon 7/19/10	655+10 days
209	Data Clean-Up	20 days	Tue 12/8/09	Wed 1/6/10	
212	Data Conversion Study Phase	20 days	Tue 12/8/09	Thu 1/14/10	
219	Data Conversion Design Phase	35 days	Fri 1/15/10	Thu 3/11/10	
231	Data Conversion Development and Testing Phase	69 days	Fri 3/12/10	Thu 6/17/10	
239	Data Conversion Implementation and Acceptance Phase	21 days	Fri 6/18/10	Mon 7/19/10	
245	Project Management	215 days	Mon 11/16/09	Fri 9/24/10	250

12. Appendix E – Project Cost

12.1 Mandatory - Core Solution

Component	Cost
Tax Mantra® License Fees (40 Full User License and 20 Read Only – Casual User License)	$443,800
Implementation Services (Tax Mantra and Imaging)	$1,312,576
Total	**$1,756,376**

(1) The License fees for 40 full access named user license and 20 Read Only Users for Tax Mantra®.

(2) The Imaging software License Fee and AMC are licensed and contracted with Impression Technology and payable directly to Impression Technology and is not included in this cost.

(3) The Implementation Services mentioned above does not include Data Conversion Design, Data Conversion Development & Testing, and Data Conversion Implementation & Acceptance

(4) Additional 5 days from Impression staff during Tax Mantra® Go Live have been included based on the rates mentioned in section 12.11 of this document

12.2 Mandatory - Annual Maintenance - Years 1 & 2

Support Year	Duration	Cost
Support Year 1 - Bronze Level	One Year	$147,300
Support Year 2 - Bronze Level	One Year	$147,300

(1) The Annual Maintenance cost for Support Years 1 & 2 is payable in advance at the start of 1st year of Annual Maintenance Support.

12.3 Optional – Data Conversion

The total cost for Data Conversion will not exceed the amount mentioned below provided the scope of data conversion does not change from what is mentioned in the RFP and in Company Proposal to the City.

Component	Cost

Data Conversion – Design, Development, Testing, Implementation & Acceptance	$164,774

12.4 Optional – Additional Component, Interfaces

Component	Cost
Management Dashboard Implementation Services	$82,588
Interface with Hansen 7.7	$25,187
Total Optional component Cost	**$107,775**

(1) The pricing for the optional components listed above is valid for sixteen (16) months from Project start which is at the Project Kickoff Meeting. Company may revise these prices after this period of sixteen (16) months.

(2) Company offers the Management Dashboard at a no charge for the License Fees. Company will meet with the City to determine appropriate level of Support and corresponding AMC cost, based on City specific requirements.

12.5 Optional - Additional Tax Mantra® Training

The optional training for Tax Mantra will be priced as follows for each module. Each training session is for up to 5 users.

Per Module Charge

Course ID	Description	Duration	Services Cost	Material Cost	Total Cost
TM001	*Overview*	*½ Day*	*$1,485*	*$165*	*$1,650*
TM002	*Taxpayer Registration*	*½ Day*	*$2,610*	*$290*	*$2,900*
TM003	*Payment Processing*	*½ Day*	*$2,610*	*$290*	*$2,900*
TM004	*Taxpayer Accounting*	*1 Day*	*$4,860*	*$540*	*$5,400*
TM005	*Correspondence*	*½ Day*	*$1,710*	*$190*	*$1,900*
TM006	*Case Management*	*¾ Day*	*$2,610*	*$290*	*$2,900*
TM007	*Utilities*	*¼ Day*	*$1,485*	*$165*	*$1,650*

TM008	*Configuration*	*½ Day*	*$2,610*	*$290*	*$2,900*
TM009	*Security*	*¼ Day*	*$1,485*	*$165*	*$1,650*
TM010	*Technical\ Administrative*	*¼ Day*	*$2,610*	*$290*	*$2,900*
TM011	*e~Tax*	*½ Day*	*$2,835*	*$315*	*$3,150*

Additional Fixed Charge

Up to 5 days of continuous training $2,000

(1) The fixed charge is payable in multiples of $2,000. E.g. if the training is for one through five days, then $2000 will be charged. If the training is for 6 through 10 days, then $4,000 will be charged, and so on.

(2) The Training charges are payable in advance.

12.6 Optional – Annual Maintenance for Support Years 3 to 5

Support Year	Duration	Cost
Support Year 3 - Bronze Level	One Year	$151,719
Support Year 4 - Bronze Level	One Year	$157,788
Support Year 5 - Bronze Level	One Year	$165,677

(1) The Annual Maintenance cost for years 3 through 5 is payable at the beginning of each year.

12.7 Optional – Annual Maintenance for Support Years 6 to 10

If the City elects to exercise a Five (5) Year extension to Maintenance after the first five (5) years of AMC support, Company is offering these maintenance services at the following costs

Support Year	Duration	Cost
Support Year 6- Bronze Level	One Year	$173,961
Support Year 7 - Bronze Level	One Year	$182,659
Support Year 8 - Bronze Level	One Year	$191,792
Support Year 9 - Bronze Level	One Year	$201,382
Support Year 10 - Bronze Level	One Year	$211,451

(1) The Annual Maintenance cost for years 6 through 10 is payable at the beginning of each year.

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12.8 Optional – Annual Maintenance for Future Support Years

The City may exercise an option for additional Maintenance in increments of five (5) years as defined in Section 2.12 of the Master Services Agreement

12.9 Optional – Additional Licenses for Tax Mantra®

	License Fee	
Blocks of Users	Full Time	Read Only
1	$ 7,200	$ 3,600
5	$ 34,500	$ 17,250
10	$ 69,000	$ 34,500
20	$ 131,100	$ 65,550
30	$ 191,475	$ 95,738
40	$ 248,400	$ 124,200

(1) The AMC will increase when license for additional users is sought by the City. The increment in the yearly AMC will be worked out when the City opts for these licenses.

(2) The total number of casual read only user licenses cannot exceed the number of full user licenses purchased by the City at any time.

12.10 Cost for Escalation of Priority Items

The City has opted for Bronze level AMC. The City may want to escalate a problem ticket to be addressed at the Silver or Gold service levels. The list below provides the costs for moving a Priority One (1) item to Silver or Gold levels.

Escalation Level	Cost
Severity I - Bronze to Silver	$2,800 per item
Severity I - Silver to Gold	$5,500 per item
Severity I – Bronze to Gold	$8,300 per item

(1) The escalation cost is payable as soon as City requests for an item to be escalated. The service level for the escalated item will be measured from the time of escalation.

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12.11 Time and Material Rates

Hourly Rates for Project Management	$125
Hourly Rates for Analysis & Design Services	$105
Hourly Rates for Programming	$85
Impression Technology Support (Contiguous Five (5) Days)	$11,690

12.12 Project Payment Milestones

The payment milestones are based on submission of Company deliverables to the City. The City deliverables have been included in this table only for completeness.

Activity	*Submission of Deliverable(s)*	*Amount*
Tax Mantra® Core Product Implementation, e~Tax and Data Conversion		
Project Kick-off / Initiation	• Project Kick-off Meeting Presentation • Project Kick-off Meeting • Draft Project Schedule • Acceptance Criteria (City / Company) • Tax Mantra® Base User Manuals	$65,287
Gap Analysis	• Acceptance Test Plan (City) • Gap Analysis Document • Draft Acceptance Test Scenarios (City)	$97,930
Data Conversion Study	• Data Conversion Requirements Analysis Document	$46,704
Design	• Design Documents • Final Acceptance Test Scenarios (City) • Draft Acceptance Test Scripts (City)	$97,930
License (billed at end of Design)	• Delivery of Tax Mantra® License	$443,800
Configuration and Customization	• System Tested Configured and Customized Tax Mantra Application • Tax Mantra® Training Manuals • Tax Mantra® Installation Manual • Tax Mantra® User Manual	$261,148
Installation and Acceptance	• Acceptance of Configured Tax Mantra® Application • Updated Tax Mantra® User Manual • Training	$130,574

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Activity	*Submission of Deliverable(s)*	*Amount*
Implementation	• Implemented Tax Mantra® System in Production Environment	$195,955
Onsite Support & Warranty	• At the Start of Onsite Support and Warranty	$110,477
Tax Mantra®, e~Tax– License and Implementation Services & Data Conversion Total		**$1,449,805**
Impression iCapture Services (does not include License fee for the Impression Software, which will be paid directly by Customer to Impression Technologies)		
RD / DD	• Requirements Definition and Design Document, including Forms Redesign specifications.	$52,308
Development / Customization	• Delivered Distribution Release (Customization completed, validated through internal FAT)	$78,462
Installation	• Installed iCapture Applications • Documentation	$39,231
Training	• Training Hand-Outs/Materials • Training Sessions	$39,231
Acceptance Testing	• Acceptance Test Plan Scripts • Acceptance Test Materials • Accepted iCapture	$52,308
Post AT Support and Warranty	• At the Start of Onsite Support and Warranty • On Site Five (5) Days Support during Imaging Go Live • On Site Five (5) Days Support during Tax Mantra® Go Live	$45,031
Imaging –Total		**$306,571**
Tax Mantra® – mandatory Annual Maintenance Cost (Year 1 & 2)		
Annual Maintenance cost for Year 1 & 2	• At the end of one year Warranty	$294,600
Total mandatory Annual Maintenance Cost		**$294,600**

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Activity	Submission of Deliverable(s)	Amount
Grand Total – Tax Mantra® and Imaging		**$2,050,976**

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13. Appendix F – Change Control Form

Change Control Form

Change Request #:	**Priority:** (Critical/High/Low)	**Request Date:**
Requested By:		**Date Required By:**
Summary Description:		
Detailed Description: (including cost justification, benefit, impact & supporting documentation)		
Estimates Valid Till Date: (Date)	**Evaluation Completed:** (Yes/No)	**Estimated Duration:** (Days)
	Estimated Cost: ($)	**Planned Delivery Date:**
Actions Required to Implement:		
Preferred Course of Action:		
Resource Assignment:		**Project Plan / Project Schedule Updated:** (Yes/No)

Other Impacted Projects	**Assessor**	**Change to Deliverables**	**Change to Milestones**	**Implications (cost, effort, time, etc)**

Change Approval	**City**	**Company**
Signature **Title**		

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14. Appendix G - Project Deliverable Acceptance Form

Project Deliverable Acceptance

Client: _____

Project: _____

Contract #: _____

The following deliverable(s) of this Project have been accepted. Any changes to the approved deliverables will be addressed through the Change Control Procedure.

Deliverable:

_____

Approved (Comments):

_____

_____

_____

City Project Manager: _____ **Date:** _____

TCS Project Manager: _____ **Date:** _____

15. Appendix H Usability Modifications

15.1 Usability Modifications to TCS Tax Mantra®

The City had requested for the following clarification from Company:

City's Question:

Address usability issues discussed in the demonstration. Examples include: searches boxes for taxpayer name, a taxpayer springboard, displaying more than 3 lines of a large textbox, going to the utilities screen to find correspondence, displaying commas and right justifying dollar amounts, displaying NAICS code description, headers should remain visible when user scrolls down tables, ability to open multiple windows within Tax Mantra, etc.

TCS Response:

Company will address the above usability items prior to Go Live for the City at no additional cost.

Company has presented its understanding of these items below:

- Search boxes for taxpayer name - Tax Mantra® Inquiry screens such as Transaction Inquiry, Payment Inquiry and Case Search will be enhanced to allow for search for Account Number by providing the taxpayer name or a part of the name and then continue with the inquiry.
- Taxpayer springboard – A new screen will be designed to provide a starting point or springboard for the customer service staff. This screen will provide a snapshot of all taxpayer's account details as such as key demographic and address information, balance summary, key activities going on the account and key status such as bankruptcy, audit and other cases.
- Displaying more than 3 lines of a large textbox – Notepad screen where this particular textbox was noted will be increased to show more lines and similarly other screen where it may be applicable will be enhanced.
- Going to the utilities screen to find correspondence – New enhancements will be incorporated to provide direct method to invoke documents from correspondence history based on the key fields on the screen similar to the way the Scanned Images are available currently. Users will be able to "click" a button to show Correspondence History without need to go into the Utilities.
- Displaying commas and right justifying dollar amounts – the display formats will be addressed where applicable on the screen for showing amounts.
- Displaying NAICS code description - The description for NAICS codes will be shown at all places on the screens where the NAICS code is available. In addition to the above a selection by search option to select appropriate

NAICS using the description will be provided on the screen where NAICS codes are being entered on the taxpayer's account.

- Headers should remain visible when user scrolls down tables - The headers will be remaining visible on all grids on screens when user scrolls down the grid.
- Ability to open multiple windows within Tax Mantra® – TCS will provide the ability to open multiple windows of Tax Mantra®.

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Schedule B

Support Plan for Annual Maintenance

Tax Mantra®

SCHEDULE B

Support Plan for
Annual Maintenance Contract
For City of Glendale

TATA

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1. Introduction

This document presents the standard support services for maintenance of Tax Mantra® software during the Annual Maintenance Contract ("AMC") as Schedule B to the Tax Mantra Master Services Agreement. The support for Tax Mantra® provided to the City by Company is governed by this Support Plan.

2. Definition of Terms

Annual Maintenance: Post Acceptance Project Phase dedicated to analysis and resolution of mutually agreed defect classifications reported during the phase. Problems are communicated by the City's single point contact to the Company single point contact person through email or Tax Mantra Connect.

Change Control: The Change Control Procedure described in Section 9 of this Support Plan. During AMC period Change Request may be reported through Change Control form (Appendix F to SOW, Schedule A) for incorporating requested modifications to the product to enhance or upgrade its current functionality. Requested Enhancements must be evaluated and reviewed following the Change Control process and be mutually agreed upon by Company and the City. Enhancements can be released separately or included with a Maintenance Release, based on client need, availability of client technical resources and Company Maintenance work schedules.

City End User: City personnel, identified as users of Tax Mantra®. This will include all the users from remote locations (if applicable) as well.

City Support Person (First Level Support): The City will designate a single point, technically competent contact with a good understanding of the product and the City's business processes, as internal contact for City end users, for requesting and receiving services and related information, including the responses to queries, problems, enhancements and their resolution.

City Contact Person (Second Level Support): The City will also designate a second level support contact, who will take escalations from the City's First Level Support Person for evaluation and possible communication of Service Requests, with appropriate classification and details to Company via e-mail ID or Tax Mantra Connect during AMC.

Defect: A non-conformity in relation to a function of the Licensed Material, with the agreed Specifications for the Licensed Software, i.e. Problems (Severity 1, 2 or 3) reported by the City through User Communication Form (UCF) logged in Tax

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Mantra Connect during AMC. Details of all defects must be provided in writing to the Company support team.

Emergency Release: An unplanned release of any software component to fix high priority defect encountered in critical business functionality of Tax Mantra that is not held until the next Maintenance Release.

Maintenance Release: Maintenance release is defined as a group of Software components/ scripts accompanied with a release note that will fix defects reported to the Company support team. The release note will list all the defect items that the release will fix and specify the method to apply the release in production/ test environment and the scenario to test fixes to the defect.

Product: The Licensed Software as per the Tax Mantra Software License Agreement with the City.

Product Upgrade: Company may release Product Upgrades at any time during the duration of the contract and the City may decide to implement an upgrade. For any such Tax Mantra upgrades released by Company, City will not be charged a re-licensing fee. However, any services and expenses related to migration to newer versions will be charged to the City. City will pay for upgrades of any 3rd party software required as a part of this upgrade.

Company will prepare and present the City with a revised Annual Maintenance Agreement. Any increase to the Annual Maintenance costs during the initial seven (7) years of the contract will not exceed ten (10%) percent of the Annual Maintenance fee applicable at that time, if Company offers and the City elects to implement a product upgrade.

For the first five (5) year Optional Maintenance period and any subsequent Maintenance period, if Company offers and the City elects to implement a product upgrade, Company will prepare and submit a revised Annual Maintenance Contract at a cost to be negotiated.

Release Support: Company will provide maintenance support during the initial term of the contract. Company will not invoke a sunset provision at any time during the initial seven (7) year term of this contract. Company will provide a three (3) year advance notice of the sunset provision being invoked. At the end of the three (3) year product sunset period, Company will provide on-going support for a period not to exceed five (5) years after discontinuance of the software in exchange for an additional annual maintenance premium not to exceed 12.5% of the maintenance amount.

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Company Support Team: Staff assigned by Company to receive and respond to all the queries, problems, and enhancement requests and provides resolution.

In addition the terms used but not defined in this document shall have the meaning ascribed to each of them in the License Agreement, Master Services Agreement and the SOW, Schedule A.

3. Support Parameters Selected

The City has opted for standard bronze Level Tax Mantra AMC.

#	Parameter	Bronze Support
1	Timings	8 Hour Support (8:30 AM to 4:30 PM Arizona Time)
2	Days	5 Days a week excluding Indian Holidays
3	Type of Support	Email Support & Phone support only for Severity I issues
4	Maintenance Releases for bug fixes	Free
5	Product Upgrades	No Re-license Costs. Services Cost and revised AMC Cost to be paid , in accordance to the Product Upgrade Provisions in this Annual Maintenance Contract
6	Escalation path	No
7	Onsite support	No
8	Emergency Release (not exceeding one per week)	No
9	Toll free Access	A US number will be provided to the City.
10	e-Mail Acknowledgement (from receipt time)	Up to 1 Business days
11	Response to Queries	Up to 5 Business days
12	Response/Analysis to Priority I defects	Up to 7 Business days
13	Response/Analysis to Priority II defects	Up to 20 Business days
14	Dedicated Support Manager	No
15	Dedicated Email ID for Support	No
16	Status Call between Client Management and Support Team	4 Per year
17	# of Phone Calls to Help Desk	48 per year

4. General Description

AMC will start immediately after the Tax Mantra® Warranty Period or at the end of the prior AMC as the case may be. This involves providing support to resolve problems that impact the normal working of Tax Mantra®. Service Requests from the City during this period may be in one of the following forms:

4.1 Queries

These are requests from the City Contact Person for clarifications, help or advice on Tax Mantra® usage and functionality. These can be resolved by discussions and may not require software changes.

4.2 Problems

Problems are Defects in Tax Mantra® noticed during AMC period. Depending on their nature these problems are classified into one of the following priorities:

Definition	Description	Examples
Severity 1	• The software problem either stops or severely limits operations and no practical workaround is available • Error affecting business severely • Totally misleading functionality in the system • Fatal errors – causes programs to abort or stop functioning	• Tax Mantra Servers are not starting. • Unable to enter payments in the system. • Unable to process business applications (new registrations) in the system. • System crashes and continues to crash • Software is not operational • Data has been corrupted • A critical user function is unavailable • Other critical (high impact) function is not available (returns, statements at a critical date)
Severity 2	• The software problem either stops or severely limits operations and a practical workaround is available. • Error causing significant rework • Fatal errors that do not cause program to abort or stop functioning, but result in erroneous outputs, turning it unusable	• Penalty and interest is not booking correctly on accounts • Daily batch programs scheduled during the night did not get completed • Batch program unable to generate Tax Returns, Account Statements • Important user function is unavailable, operations continue, but restricted • Other function is not available

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Definition	Description	Examples
		(daily batch, or returns, statements prior to a critical date)
Severity 3	• The software problem adversely affects operations, is not a Severity 1 or 2 problem and a practical workaround is available. • Error causing moderate or low rework • Leads to ambiguities in the system / misinterpretation • Non-fatal errors which could impact the program functioning, or just be cosmetic mistakes	• Incorrect error message being shown • Any spelling mistakes • Issues pertaining to a specific account due to some data related issues • Minor user function is unavailable • Other function is not available (monthly interface that can be postponed)
Severity 4	• Suggestion towards improvement	• Minor improvement in existing functionality. For example, the batch program that creates tax return needs tax period as input.

4.3 Enhancements

Enhancements requested via the Change Control process are outside the coverage of the parameters of this support plan. Company will respond to queries related to the analysis of Change Requests. However, the prioritization, scheduling, and cost estimates for these specific Change Requests would be provided for each individual request. City can elect to "escalate" or re-prioritize these requests based upon City business drivers. The escalation of a Change Request would be priced individually for each Change Request based upon complexity, timeline requested by the City, and internal workload of Tax Mantra® support team.

For information related to the Change Control Procedure see section below titled "Procedure for Handling Change Control".

5. Reporting Method

The following section documents the standard reporting procedure for the duration of the AMC.

5.1 Company Standard Annual Maintenance Contract (AMC) Procedure

The City End User facing a problem will report it to the City Support Person (First Level Contact). The City Support Person will analyze the problem and provide an assessment to the end user.

The problem resolution may need one or a combination of the following:

a. If the problem is diagnosed as due to incorrect operations, the City Support Person will advise correct operations of the product.

b. The City Contact Person will take escalations from the City's Support Person for evaluation and possible communication of Service Requests, with appropriate classification and details to Company via e-mail ID or in Tax Mantra Connect.

c. An agreed to (City and Company) work-around to minimize the impact or bypass the problem will be provided with a follow through solution to enhance the process to remove the work-around and regain the efficiency lost due to the work-around.

d. A correction to a corrupted or erroneous data file on account of an error in the product, also referred to as a data patch. Though a data-patch may be an acceptable solution, at the time, a thorough analysis will be conducted to fully integrate the "patch" into the overall solution so as to minimize unintended side-effects.

e. The City Contact Person may invoke the contingency procedures in Section 8 based on City Contact Peron's assessment of the problem.

f. The City Support Person will categorize the problem as a Query, Problem or Enhancement and assign a priority to the Problem, mutually agreed upon by Company, with the advice and consent of the City Contact Person. The City Contact Person will report service requests to the Company Support Person:

- Telephone: US Number - as specified in the Section 3 support parameters.
- Through E-mail: To Company E-mail id taxmantra.support@tcs.com.
- Through Tax Mantra Connect

For reporting problems and enhancements, the standard problem-reporting format as given in this section should be used. The City Contact Person must communicate all problems (within a reasonable time frame if problem-reporting/solving is initiated via voice communication) and enhancements in writing. The Company Support Person may re-categorize a problem with the agreement of the City Contact Person.

6. Description of Services

1. During the AMC support duration, Company Support Person will be available on phone (US Number) as specified in the Section 3 support parameters. The City can also contact Company through Tax Mantra® Support e-mail ID. taxmantra.support@tcs.com. City can also report items through Tax Mantra Connect.
2. A Severity Level 1 Problem defect will be downgraded to a Severity Level 2 Problem defect as soon as a practical temporary program fix or a practical operational work-around is provided for the problem reported.
3. Company will release the Maintenance Upgrades and program fixes to the City.
4. Fixes to Severity Level 2 and Severity Level 3 Problems and permanent resolutions to any temporary fixes may be provided in Emergency Releases or in the subsequent Maintenance Releases by mutual agreement.
5. Company will ensure that all members of the Company Support Team remain in compliance with all legal requirements, including Confidential Information as described in the MSA.

7. Escalation Procedure for AMC support

The following process will be followed if the City desires to escalate a support item to get a turnaround time of either a Gold Support or Silver Support Level.

Escalation	Response / Analysis time limit	Charges
Severity I - Bronze to Silver	Response time will escalated from Bronze Level to Silver level	Charges as per Appendix E of SOW
Severity I - Silver to Gold	Response time will escalated from Silver level to Gold Level	Charges as per Appendix E of SOW
Severity I – Bronze to Gold	Response time will escalated from Bronze level to Gold Level	Charges as per Appendix E of SOW

Actual resolution of the problem will involve appropriate analysis, change impact and schedule impact for implementing the changes to fix the problem.

8. Contingency Procedure

In cases where a Maintenance Upgrade cannot be released in the scheduled time frame, Company will analyze the reasons for the same and consider various options of redressal such as an increase in the size of the team working on the upgrade or exclusion of some of the items from the upgrade before deciding to

reschedule the release. A final decision on the course of action will be communicated to the City Support Person.

9. Procedure for handling Change Controls

All product Enhancements will be handled through a change control procedure as per the following steps:

1. All requested Enhancements will be documented on the Change Control form.
2. Company will analyze and perform impact assessment and document the same in the form of a Cost and Schedule impact where applicable and provide the same for the City's approval. A Change Control form will be accompanied by Company's understanding of the changes requested by the City.
3. On receiving approval from the City, Company will initiate the implementation of the enhancement with the City as per the understanding document attached with the Change Control form.
4. Company assumes that the City will provide adequate test scenarios and test cases for testing the Enhancements requested to the product as per the Change Control process.
5. Release procedure for the product Enhancements would be the same as documented in Section 11 Release Procedures.

10. Procedure for handling Maintenance Releases

The Maintenance Releases will be decided by Company, and their release dates will be communicated to the City.

1. Release notes detailing the upgrades, and how to apply the upgrades will accompany the functional upgrades, as well as any changes to User Manuals or Training Manuals.
2. City will apply these upgrades in their test and production environments, and may request additional services for installation, training, etc. from Company, if required.

11. Release Procedures

1. All Releases, program fixes and functional upgrades will be released to the City Contact Person.
2. All releases, program fixes and functional upgrades will be released electronically via website, FTP or on CD-ROM to describe the changes carried out and the installation instructions. A Company Release Notification Form will accompany each release.

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3. The identifying characteristics of the executable will also be communicated. The City Contact Person will have to verify that the correct version has been received.

12. Dependencies for Support

The functioning of the service is dependent on the following:

1. The City should provide FTP access to the Company offshore and on-site team; this will be a controlled access area.
2. It is highly recommended that the City provide a VPN access to Company Offshore team for verification of the installation of new changes where applicable and required; this will be a controlled access area.
3. The version of the Licensed Software on which the problem is reported must be a currently supported version by Company.
4. All Enhancements (service requests) should be formally reported in the specified format (i.e. Change Control Form) in writing by the City.
5. All problems should be formally reported in writing by the City, in Tax Mantra Connect.

13. Responsibilities of the City Support Operation

The responsibilities of the City are as given below:

1. The City Support Person will advise end users on the correct operation of the product and try to resolve problems locally, taking advice from Company Support Person, as required.
2. The City Contact Person will categorize the problem into Severity I, II, III or IV category with mutual agreement with Company.
3. The City will ensure that only personnel properly trained in operation and usage of the Licensed Software will utilize the Product Support Service and that sufficient computer time and suitable personnel are made available to implement the corrections suggested by Company.
4. Whenever a problem is reported to Company, the City should have attempted all possible local corrective actions. All supporting information (e.g. screen shots, functional scenario, applicable data, etc.) should be made available to Company.
5. The City will reproduce the identified error or malfunction in the unaltered Software and provide a scenario for the same under which the malfunction occurred in case the error requires more details or description for further analysis or reproduction.

6. Providing upon Company's request, a "memory dump" or "database dump" and such additional data including necessary parts of the software and program dumps and associated files in machine-readable or interpreted form deemed necessary or desirable by Company to reproduce the environment in which such licensed Software operated.
7. The City will ensure that the reporting of the problem is always followed up in writing, including the problem severity.
8. The City will be responsible for installation and testing of Maintenance Releases, Emergency Releases and Product Upgrades and providing Company with a formal sign-off within the mutually agreed time.
9. The City Support Operation will provide necessary and sufficient access to the Company Support Team to diagnose the problem in the production product. While giving data access, the City will ensure Company Support staff are made aware of agency data access and security regulations, including Confidential Information as described in the MSA.
10. The City Support Operation will ensure that no components of the Licensed Software are altered or amended other than through agreed release control procedures.
11. The City Support Staff should always provide the problem number of the problem in question, whenever correspondence is necessary on the progress/details of a problem.
12. The City Support Staff will formally log and track all local changes made by the City to the released version of Tax Mantra®.
13. The City Support Operation will undertake the proper supervision, control and management of its use of Licensed Software including but not limited to: (a) assuring proper computer system configuration, software installation, verification, audit controls, and operating methods; and (b) ensuring proper procedures for the security of data, accuracy of inputs and outputs, and back-up plans, including restart and recovery in the event of hardware or software error or malfunction.
14. Whenever on-site support is required, the City Support Staff will provide the Company Support Person necessary hardware equipment, software environment, data, and work space, for enabling the Company Support Person to carry out necessary activities / tasks.
15. The City Support Operation will engage in reasonable efforts to help Company to ensure the accuracy of changes by providing test plans and data.

16. The City will be responsible for moving the changes to the production environment after appropriate testing through the City's established testing and verification procedure.

14. Environments Supported

The Services under this Support Plan shall be provided by Company only for the Licensed Material used on the Target Environment for production at the Permitted Site under Section 2.3 of the License Agreement. It is expected that all Permitted Environments set-up by the City shall mirror Target Environment for production.

15. List of Indian Holidays Observed by Company (New Delhi) 2009

The table below lists the Indian Holidays Observed by Company (New Delhi) in 2009. The Company Annual Holiday schedule currently consists of ten holidays. However, the actual Holidays observed and dates will vary from year to year. As such, Company will provide the City with an annual updated list of Holidays at the start of each calendar year.

New Year's Day	1-Jan-09	Thursday
Republic Day	26-Jan-09	Monday
Holi	11-Mar-09	Wednesday
May Day	1-May-09	Friday
Janmashtami	14-Aug-09	Friday
Idul Fitr	21-Sep-09	Monday
Dasara (Vijaya Dashami)	28-Sep-09	Monday
Mahatma Gandhi Jayanti	2-Oct-09	Friday
Guru Nanak Jayanti	2-Nov-09	Monday
Christmas	25-Dec-09	Friday

Schedule C

Company Code of Conduct

RELEVANT EXTRACTS OF COMPANY CODE OF CONDUCT

We, in our dealings, are self-regulated by a Code of Conduct as enshrined in the "Tata Code of Conduct". Relevant extract of the Code is given in this section. We request your support in helping us adhere to the Code in letter and spirit. We request that any violation or potential violation of the Code by any person be promptly brought to the notice of the Local Ethics Counselor or the Principal Ethics Counselor or the CEO of TCS. All communication received in this regard will be treated and kept as confidential.

Code No. 5: GIFTS AND DONATIONS

A TATA Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business. However, a TATA Company and its employees may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events.

Code No. 6: GOVERNMENT AGENCIES

A TATA Company and its employees shall not offer or give any company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favorable performance of official duties.

Code No. 13: THIRD PARTY REPRESENTATION

Parties which have business dealings with the TATA Group but are not members of the Group such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorized to represent a TATA Company if their business conduct and ethics are known to be inconsistent with the Code.

Code No. 17: ETHICAL CONDUCT

Every employee of a TATA Company, which shall include Whole-time Directors and the Managing Director, shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

Every employee shall be responsible for the implementation of and compliance with the Code in his professional environment. Failure to adhere to the Code could attract the most severe consequences including termination of employment.

Code No. 18: REGULATORY COMPLIANCE

Every employee of a TATA Company shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code then the standards of the Code shall prevail.

Code No. 19: CONCURRENT EMPLOYMENT

An employee of a TATA Company shall not, without the prior approval of the Managing Director of the Company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide "free-lance" services to anyone. In the case of a Whole-time Director or the Managing Director such prior approval must be obtained from the Board of Directors of the company.

Code No. 20: CONFLICT OF INTEREST

An employee of a TATA Company shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of his Company or the Group. A conflict of interest, actual or potential, may arise where, directly or indirectly, (a) an employee of a TATA Company engages in a business, relationship or activity with anyone who is party to a transaction with his Company, (b) an employee is in a position to derive a personal benefit or a benefit to any of his relatives by making or influencing decisions relating to any transaction, and (c) an independent judgement of the Company's

or Group's best interest cannot be exercised.

Code No. 25: REPORTING CONCERNS

Every employee of a TATA Company shall promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of his or any other TATA Company.

C-7133
08/11/2009

iCapture™

Software License Agreement

September 14, 2007

Revised for City of Glendale on October 19, 2009

Impression Technology, Inc.
1777 N. California Blvd. Suite 240
Walnut Creek, CA 94596-4684

925.280.0010 / 925.280.0092 Office/Fax
www.impression-technology.co

SOFTWARE LICENSE AGREEMENT

Between IMPRESSION TECHNOLOGY
And CITY OF Glendale

This Software License Agreement ("**Agreement**") is entered into by and between Impression Technology, Inc., a California corporation ("**Licensor**") and the licensee, the City of Glendale, an Arizona municipal corporation ("**City**"), as of the date last executed by the Parties ("**Effective Date**"). Licensor and City are individually referred to as "**Party**" and collectively as "**Parties**" throughout this Agreement, and the words Party and Parties shall be construed accordingly. Licensor hereby agrees to grant City certain licenses to the Software as defined (the "**License**"), subject to the terms and conditions of this Agreement which are attached and the Exhibits set forth below. Any modifications or amendments to this Agreement may be made by an addendum signed by an authorized officer of the Parties ("**Agreement Addendum**") to be attached to this Agreement.

BOTH PARTIES ACKNOWLEDGE HAVING READ THE TERMS AND CONDITIONS SET FORTH ON THIS FACING PAGE AND ATTACHED HERETO, UNDERSTANDING ALL TERMS AND CONDITIONS, AND AGREEING TO BE BOUND THEREBY.

IN WITNESS WHEREOF, the Parties herein have caused this Agreement to be executed in triplicate originals.

IMPRESSION TECHNOLOGY, INC., a California corporation

By: MICHAEL TOKUYAMA

Title: PRESIDENT

Date: 11/19/09

CITY OF GLENDALE, an Arizona municipal corporation

By: Ed Beasley

Its: City Manager

Date: December 3rd, 2009

ATTEST:

Pam Hanna, City Clerk

APPROVED AS TO FORM:

Craig Tindall, City Attorney

SOFTWARE LICENSE AGREEMENT
TERMS AND CONDITIONS

1. DEFINITIONS.

For purposes of this Agreement, the following terms shall have the following meanings:

"Client" is a user (which includes but is not restricted to an employee or consultant of City) who is permitted access to the City data files using the Software.

"Documentation" means the user and technical manuals and documentation regarding the Software, whether in hard copy, magnetic or electronic media or other form, provided by Licensor to City. Documentation includes, but is not limited to, the reference manuals and user guides and manuals, operating instructions, input information, format specifications, instructional and other documentation, published specification and other documentation related to the Software.

"Software" means Licensor's iCapture software residing on a single or multiple servers at the locations specified on the Facing Page and any software modules which are included with such Software.

"Update" means a revised version of the original Software containing updates or modifications of the Software that Licensor provides to City. The term Update includes revisions to any Documentation associated with the Software.

2. INSTALLATION AND DELIVERY.

2.1 Except as otherwise agreed between the parties, City shall be solely responsible for installation of the Software and for any conversion of data required in connection with City's use of the Software to make such data compatible with the Software.

3. LICENSE GRANT.

3.1 **Software License.** Licensor shall provide to City, by CDROM or electronically (as agreed between the Parties), one copy of the Software, in machine-readable object code, solely for City's use pursuant to this Agreement. Subject to the terms and conditions of this Agreement, Licensor hereby grants to the City a non-exclusive, non-transferable, restricted license to install and use the Software on the servers designated on the facing page, in machine-readable object code. Such License shall allow City the right to allow up to that number of Clients to access City's designated data files and to:

(A) use the Software for manipulating, sorting, archiving and accessing City's data files on that number of servers as is permitted under this Agreement;

(B) use the Documentation;

(C) reproduce, modify, or adapt the Documentation for Clients in connection with the exercise of the License granted with respect to the Software and Documentation, provided that all notices, restrictions and trademarks are left intact.

3.2 Source Code. City and its Clients shall not have the right to receive or use the Source Code of the Software.

3.3 Changes. Any change by City to the Software requires Licensor's written consent for such modification or change.

4. LICENSE FEE; TAXES.

4.1 City Fee. As consideration for the license granted to City hereunder, City shall pay to Licensor the initial License Fee specified in any addendum to the Agreement ("Agreement Addendum"), reference Attachment A - System Support and Maintenance and Support Fees.

4.2 Client Access Fees. Additional license fees shall be payable on any additional features elected by City, for any increase by City in the number of Clients who are permitted access to, or can simultaneously access, City's data files at any given point in time. Such additional fees shall be payable in accordance with the terms in any Agreement Addendum.

4.3 Payment. Payments shall be paid to Licensor within thirty (30) days after City's receipt of Licensor's invoice therefore.

4.4 Taxes. City shall pay all sales, use and other taxes (excluding taxes on Licensor's income) imposed by any jurisdiction arising out of or related to the License granted under this Agreement, or on City's use of the Software, regardless of when such tax liability is asserted. Licensor warrants that it has researched and will apply all known taxes applicable to the transaction contemplated under this Agreement concurrent with its execution.

5. **RESTRICTIONS.**

5.1 Authorized Use Only. City shall: (a) adopt and enforce such internal policies, procedures and monitoring mechanisms as are necessary to ensure that the Software is used only in accordance with the terms of Section 3 hereof; and (b) take all steps necessary to ensure that no person or entity will have unauthorized access to the Software.

5.2 Unauthorized Access. City shall not: (a) assign, sublicense, lease, encumber or otherwise transfer or attempt to transfer the Software or any portion thereof, other than in accordance with Section 13.3 hereof; or (b) except for access by Clients to the Software as permitted by this Agreement, permit any third party to use or have access to the Software, whether by timesharing, networking, through the internet or any other means.

5.3 No Reverse Engineering. City shall not modify, translate, reverse engineer, decompile or disassemble the Software; nor shall it permit its Clients to modify, translate, reverse engineer, decompile or disassemble the Software. City shall immediately advise Licensor of any modification, translation, reverse engineering, decompiling or disassembly of the Software by any Party or any Client.

5.4 Proprietary Notices. City shall not remove or cause to be removed any copyright, trademark, patent or other proprietary notices from the Software or Documentation or any portion thereof.

6. **COMPLIANCE.**

6.1 Employee Compliance. City shall instruct its employees, consultants, Clients and agents that making unauthorized copies of Software or any portion thereof, or permitting the use of the Software other than in accordance with Section 3 hereof, constitutes a violation of copyright law and of this Agreement.

6.2 Compliance Statement. Upon Licensor's reasonable request, City shall provide signed statements verifying its compliance with this Agreement. Licensor shall have the right, upon reasonable notice, and compliance with City security policies, to inspect City facilities to verify City's compliance with this Agreement.

7. **INTELLECTUAL PROPERTY.**

7.1 City acknowledges and agrees that Licensor will retain all right, title, interest and ownership in and to the Software and Documentation and any and all copies, Updates or modifications to the Software and Documentation. City acknowledges that the Software and Documentation constitute proprietary information and trade secrets of Licensor, whether or not any portion thereof is or may be the subject of a valid copyright or patent. City shall maintain all information and data contained in the Software and Documentation, or any portion thereof, in strict confidence, and shall not publish, communicate or disclose, or permit to be published, communicated or disclosed, to third parties such information and data without Licensor's prior written consent. City agrees to take all appropriate steps to ensure that persons having access to the Software and Documentation shall refrain from any unauthorized reproduction or disclosure of the Software, Documentation or any portion thereof.

7.2 Notwithstanding any other provision of this Agreement regarding confidentiality, secrets, or protected rights, Licensor information provided to City may be subject to disclosure by laws related to open public records. Consequently, Licensor understands that disclosure of some or all of the items subject to this Agreement may be required by law. In the event City receives a request for disclosure that is reasonably calculated to incorporate information that might be considered confidential by Licensor, City agrees to provide Licensor with notice of that request, which shall be deemed given when deposited by City with the USPS for regular delivery to the address of Licensor specified below for notices. Within ten (10) days of City notice by City, Licensor will inform City in writing of any objection by Licensor to the disclosure of the requested information. Failure by Licensor to object timely shall be deemed to waive any objection and any remedy against City for disclosure. In the event Licensor objects to disclosure within the time specified, Licensor agrees to handle all aspects related to request, including properly communicating with the requestor and timely responding with information the disclosure of which Licensor does not object thereto. Furthermore, Licensor agrees to indemnify and hold harmless City from any claims, actions, lawsuits, or any other controversy or remedy, in whatever form, that arises from the failure to comply with the request for information and the laws pertaining to public records, including defending City in any legal action and payment of any penalties or judgments. This provision shall survive the termination of this Agreement.

8. MAINTENANCE; CUSTOMIZATION.

8.1 Maintenance. During the Warranty Period, Licensor shall provide to City, at no charge to City, telephone support between the hours of 8:00 a.m. and 6:00 p.m. Pacific Standard Time. Additional support services and Updates will be subject to City's execution of a Support Services Agreement ("Maintenance Agreement") with Licensor, payment of then current fees and subject to terms and conditions in the Maintenance Agreement. In the event Updates are provided to City pursuant to a Maintenance Agreement, such Updates shall become a part of the "Software" for purposes of this Agreement and shall be subject to all of the terms and conditions of this Agreement.

8.2 Customization. Any changes or modifications to the Software requested by City are subject to City's execution of a separate Consulting Agreement with Licensor.

9. WARRANTIES.

9.1 Limited Warranty. Licensor warrants that the Software will perform substantially as specified in the Documentation delivered with the Software and that the media in which the Software is stored will be free of defects in materials and workmanship for a period of not less than one (1) year ("Warranty Period"), provided, however, that Licensor shall not be liable under this warranty if the Software has been modified or altered by anyone other than Licensor, if the Software has been abused or misapplied, or if City has failed to incorporate all patches and Updates provided to City by Licensor. This Warranty Period shall commence upon the "go-live" date of the Impression software and will remain in effect for a period of one (1) year from the "go-live" date of the complete tax and licensing information system solution. In the event of a breach of this warranty, City may return the defective Software to Licensor for replacement of the Software without charge.

9.2 Disclaimers of Warranties. Except as expressly set forth in this Section 9, Licensor does not make any warranties, express or implied, concerning the Software or the application, operation or use thereof, the data generated by the operation or use thereof, or any support services rendered with respect thereto. Licensor hereby excludes all implied warranties to the extent permitted by law, including specifically, any implied warranty arising by statute or otherwise in law or from a course of dealing or usage of trade. Licensor hereby excludes all implied warranties of merchantability, or of merchantable quality, or of fitness for any purpose, particularly, specific or otherwise, or of non-infringement, concerning the Software and the application, operation or use thereof.

10. LIMITATION OF REMEDIES.

10.1 City acknowledges and agrees that it has independently verified that the Software is appropriate for the purposes for which City intends to use the Software. City assumes the entire risk related to the use of the Software. Licensor's liability in contract, tort or otherwise in connection with the Software or this Agreement shall not exceed the City's fee paid or payable plus the professional service fees and expenses paid or payable to Licensor by City under this Agreement. This limitation of liability shall not apply to Licensor's liability for damages arising from bodily injury, including death, damage to or loss of

tangible personal property, or infringement of intellectual property rights. Regardless of whether any remedy set forth herein fails of its essential purpose or otherwise, City further agrees that neither Licensor nor its licensors shall be liable to City for damages in the form of indirect, consequential, incidental, punitive or special damages, lost profits, lost savings, loss of goodwill or otherwise, or for exemplary damages, resulting from City's use or inability to use the Software or from any support services rendered with respect thereto, even if Licensor has been advised of the possibility of such damages. In no event will Licensor be liable for any damages resulting from access by clients or unauthorized third parties to City's servers.

11. TERM AND TERMINATION.

11.1 Term. This Agreement shall be effective upon execution by both Parties and, subject to Section 11.3, shall remain in full force and effect unless and until: (a) the Parties mutually agree in writing to terminate the Agreement; or (b) the Agreement is terminated pursuant to Section 11.2 below.

11.2 Termination Upon Default. Either Party (the "Terminating Party") shall have the right to terminate this Agreement upon thirty (30) days (or ten (10) days in the event of nonpayment) written notice to the other Party (the "Defaulting Party"), if the Defaulting Party fails to comply with any material term or condition of this Agreement and such failure to comply is not cured within the relevant notice period. Upon such termination by default, the Terminating Party may pursue any remedies available for damages and injunctive relief, which remedies shall be cumulative.

11.3 Effect of Termination. City shall, upon termination of this Agreement: (a) discontinue all use of the Software; (b) deliver to Licensor all media containing the Software and all other physical copies of the Software and any related Documentation; (c) destroy the Software and all copies of the Software contained in any computer memory or data storage apparatus under the control of City; and (d) certify to Licensor within one week after the termination of this Agreement that City has delivered to Licensor and destroyed the Software and all copies of the Software in accordance with this Section 11.3. Where City is the Defaulting Party, all payments owed up to and including the termination date shall be due and payable in full immediately upon termination. Sections 7, 9, 10, and 12 shall remain in full force and effect following termination of this Agreement.

11.4 Remedies. The pursuit by Licensor or City of any remedy to which it is entitled at any time shall not be deemed an election of remedies or waiver of the right to pursue any of the other remedies to which it may be entitled.

12. DISPUTE RESOLUTION.

12.1 Arbitration. Except as set forth in this Section 12, any claim or dispute between the Parties hereto pertaining to or arising out of this Agreement (including, without limitation, the negotiation or execution of this Agreement, or the interpretation, performance or breach of any provision of this Agreement) shall be arbitrated in Glendale, Arizona, before a single neutral arbitrator under the Commercial Arbitration Rules of the American Arbitration Association but not under the direction of nor heard by the American Arbitration Association. Any arbitration award shall be accompanied by a written opinion of the arbitrator giving the reasons for the award, which award may be entered as a judgment in any court of competent jurisdiction. This provision for arbitration shall be specifically enforceable by the Parties and, except as otherwise provided by applicable law, the decision of the arbitrator in accordance herewith shall be final and binding. The arbitrator shall have the power to issue and grant permanent injunctive relief and other equitable orders and remedies. Any such arbitration shall be conducted in confidence and in accordance with the confidentiality provisions of this Agreement. Each Party shall pay its own expenses of arbitration, and the expenses of the arbitrator shall be equally shared.

12.2 Injunctive Relief. Each Party recognizes that the other Party will be irreparably harmed in the event of City's breach, or threatened breach, of this Agreement, and that, notwithstanding anything contained herein to the contrary, the non-breaching Party may commence an action in any court of competent jurisdiction in Arizona, to obtain equitable relief to prevent such breach or threatened breach at any time prior to the commencement of an arbitration proceeding and, if an arbitration proceeding has been commenced, at any time until an arbitration award is rendered in such arbitration proceeding, or the claim or dispute is otherwise resolved. The breaching Party shall reimburse the other Party for all fees, costs and expenses including, without limitation, attorneys' fees, costs and expenses incurred by the other Party

in taking such court action to obtain equitable relief. Neither Party shall be deemed to have waived its right to arbitrate any dispute, claim or controversy by reason of seeking such equitable relief.

13. GENERAL PROVISIONS.

13.1 Nondiscrimination. Licensor will not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, gender, national origin, age, or disability, nor otherwise commit an unfair employment practice. Licensor will take affirmative action to ensure that applicants are employed, and that employees are dealt with during employment, without regard to their race, color, religion, gender, national origin, age, or disability. Such action will include, but not be limited to, the following: employment, upgrading, promotion, demotion, or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or forms of compensation; and selection for training, including apprenticeship.

13.2 Licensor further agrees that this clause will be incorporated in all subcontracts entered into with suppliers of materials or services, and all labor organizations furnishing skilled, unskilled, and union labor, or who may perform any such labor or services, in connection with this Agreement. This clause will also be incorporated into all job-consultants' agreements or subleases in any way pertaining to Licensor's performance under this Agreement.

13.3 Compliance with Immigration Reform and Control Act. Licensor understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986 (IRCA) to it. Licensor agrees to comply with IRCA in performing under this Agreement and to permit City to verify such compliance.

13.4 Arizona Immigration Requirements.

(A) Licensor, 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.

(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 of this Agreement.

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

(D) City may conduct random inspections, and upon request of the City, Licensor shall provide copies of papers and records demonstrating continued compliance with the warranty under subsection (A) above. Licensor 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 13.4.

(E) Licensor 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 the City. Licensor 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.

(F) Licensor's warranty and obligations under this Section 13.4 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.

(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.

13.5 Fiscal Year Clause. Every payment obligation of the City under this Agreement is conditioned upon the availability of funds appropriated for payment of such obligation. Continuation of this Agreement after the

close of the City's fiscal year, which ends June 30th of each year, is subject to the approval of the budget of the City providing an appropriation covering this item as an expenditure. The City does not represent that such budget item will be actually adopted, as that determination is made by the City Council at the time of the adoption of the budget. If funds are not appropriated for the continuance of this Agreement, this Agreement may be terminated by the City at the end of the period for which funds are available. No liability shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments or for any damages as a result of termination under this provision.

13.6 Offsets. Licensor understands and acknowledges that no demand on City shall be allowed in favor of any person in any manner indebted to City without first deducting such indebtedness. Accordingly, Licensor agrees that any payments that are undisputed and due and payable to City shall be offset against the amounts payable to Licensor under this Agreement.

13.7 Cancellation. The Parties understand and acknowledge that this Agreement may be subject to cancellation under Arizona Revised Statutes (A.R.S.) § 38-511, (Arizona's public employee conflict of interest law) in the event there is a conflict of interest of the type specified in A.R.S. § 35-511 by persons significantly involved in initiating, negotiation, securing, drafting or creating this Agreement..

13.8 Audit/Records. The provisions of A.R.S. § 35-214 will apply to this Agreement. The City will perform the inspection and audit function specified therein.

13.9 Claims or Demands Against the City . Licensor acknowledges that A.R.S §§ 12-821 and 12-821.01 are applicable to any claims or demands Licensor may make against City.

13.10 Foreign Prohibitions. Licensor, and on behalf of any subcontractor, certifies, to the extent applicable under A.R.S. §§ 35-391 et seq., and 35-393 et seq., that neither has "scrutinized" business operations, as defined in the preceding statutory sections, in the countries of Sudan or Iran.

13.11 Insurance Requirements.

(A) Licensor and its subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Licensor, its agents, representatives, employees or subcontractors.

(B) The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect Licensor from liabilities that might arise out of the performance of the work under this Agreement by Licensor, its agents, representatives, employees or subcontractors and Licensor is free to purchase additional insurance as may be determined necessary.

(C) Minimum Scope and Limits of Insurance. Licensor shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

(i) Commercial General Liability – Occurrence Form:

(a) Policy shall include bodily injury, property damage and broad form contractual liability coverage.

General Aggregate	$2,000,000
Products – Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000

(b) The policy shall be endorsed to include the following additional insured language: "The City of Glendale shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of Licensor."

(ii) Automobile Liability:

(a) Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Agreement.

Combined Single Limit (CSL)	$1,000,000

(b) The policy shall be endorsed to include the following additional insured language: "The City of Glendale shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of Licensor, including automobiles owned, leased, hired or borrowed by Licensor."

(iii) Worker's Compensation and Employers' Liability:

Workers' Compensation	Statutory
Employers' Liability – Each Accident	$100,000
Disease – Each Employee	$100,000
Disease – Policy Limit	$500,000

(a) Policy shall contain a waiver of subrogation against the City.

(b) This requirement shall not apply when a contractor or subcontractor is exempt under A.R.S. § 23-901 and when such contractor or subcontractor executes the appropriate sole proprietor waiver form.

(iv) Professional Liability (Errors and Omissions Liability):

(a) The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this Agreement.

Each Claim	$1,000,000
Annual Aggregate	$2,000,000

(b) In the event that the professional liability insurance required by this Agreement is written on a claims-made basis, Licensor warrants that any retroactive date under the policy shall precede the effective date of this Agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Agreement is completed.

(D) Additional Insurance Requirements. The policies shall include, or be endorsed to include, the following provisions:

(i) On insurance policies where the City is named as an additional insured, the City shall be an additional insured to the full limits of liability purchased by Licensor even if those limits of liability are in excess of those required by this Agreement.

(ii) Licensor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

(E) Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, or canceled, except after thirty (30) days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent in accordance with Paragraph 14.8 of this Agreement and shall be sent by certified mail, return receipt requested.

(F) Acceptability of Insurers. Insurance is to be placed with insurers duly licensed or authorized to do business in the State of Arizona and with an "A.M. Best" rating of not less than B+ VI. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect Licensor from potential insurer insolvency.

(G) Verification of Coverage. Licensor shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

(i) All certificates and any required endorsements are to be received and approved by the City before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal is a material breach of contract.

(ii) All certificates required by this Agreement shall be sent in accordance with Paragraph 14.8 of this Agreement. The City project/contract number and project description shall be noted on the certificate of insurance. The City reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time.

(H) Subcontractors. Licensor shall require all subcontractors to comply with the foregoing insurance requirements, or Licensor shall furnish to the City separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

(I) Approval. Any modification or variation from the insurance requirements in this Agreement shall be made by the Risk Management Department, whose decision shall be final. Such action will not require a formal Agreement amendment, but may be made by administrative action.

14. MISCELLANEOUS.

14.1 Default and Other Remedies.. Nothing herein shall preclude either Party from seeking money damages or injunctive relief to prevent unauthorized use of the licensed material or City proprietary material in the event of a breach of this Agreement.

14.2 Remedies. Except as otherwise provided herein, no right or remedy herein conferred on or reserved to either Party is intended to be exclusive of any other right or remedy, and each and every right and remedy will be cumulative and in addition to any other right or remedy under this Agreement or under applicable law, whether now or hereafter existing.

14.3 Injunctive Relief and Special Performance.

(A) Licensor and City agree that a breach by either of them of its obligations under, Section 6, Section 7 or Section 11 may cause irreparable harm which cannot be compensated in money damages. Accordingly, Licensor and City each agree that in the event either Party breaches any of the provisions in Section 6, Section 7, Section 11 the other Party shall be entitled to seek injunctive relief or specific performance in addition to its other remedies.

(B) Specific Performance. Licensor agrees that, in the event of a breach by Licensor of any material provision of this Agreement, the City shall, upon proper action instituted by it, be entitled to a decree of specific performance thereof according to the terms of this Agreement. In the event the City shall elect to treat any such breach on the part of Licensor as a discharge of the Agreement, the City may nevertheless maintain an action to recover damages arising out of such breach. This paragraph is not intended as a limitation of such other remedies as may be available to the City under law or equity.

(C) The total liability of the Licensor under this Agreement for any reason or claim shall not exceed that as stated in Section 10.

14.4 **Relationship of Parties.**

(A) The relationship of the Parties shall be that of independent contractors. Any employee, subcontractor or agent of Licensor who is assigned to provide Services under this Agreement shall remain at all times under the exclusive direction and control of Licensor and shall not be deemed to be an employee, subcontractor or agent of the City. Neither Party will represent that it has any

authority to assume or create any obligation, express or implied, on behalf of the other Party, or to represent the other Party as agent, employee, or in any other capacity, except as specifically provided herein.

(B) This Agreement will not constitute, create, give rise to or otherwise recognize a joint venture, agreement or relationship, partnership or formal business organization of any kind between the Parties, and the rights and obligations of the Parties shall be only those expressly set forth therein. Licensor will agree that no persons supplied by it in the performance of the agreement are employees of the City and further agrees that no rights to the City's civil service, retirement or personnel rules and benefits accrue to such persons. Licensor shall be responsible for all salaries, wages, bonuses, retirement, withholdings, workers' compensation, unemployment compensation, other benefits, taxes and premiums appurtenant thereto concerning such persons provided by such Licensor in the performance of the Agreement, and Licensor shall save and hold the City harmless with respect thereto.

14.5 **Entire Agreement; Amendments; Modifications.** This Agreement, along with the schedules and exhibits attached hereto, sets forth the entire Agreement between the Parties and supersedes any other prior or contemporaneous proposals, agreements and representations between them related to its subject matter, whether written or oral between the Parties and all amendments and extensions thereof, which shall be deemed to be superseded by this Agreement. No modifications or amendments to this Agreement shall be binding upon the Parties unless made in writing and duly executed by authorized officials of both Parties.

14.6 **Binding Effect; Assignment.**

(A) This Agreement shall be binding on and inure to the benefit of the respective Parties and their permitted successors and assigns. Neither Party may sell, transfer or assign any right or obligation hereunder, except as expressly provided herein, without the prior written consent of the other Party. Any assignment in violation of this Section 14.6 shall be void.

(B) City shall have the right to assign or transfer (including by merger or otherwise by operation of law) all of its rights, duties and obligations under this Agreement to: (a) any entity that is an Affiliate of City in connection with an internal reorganization of the business of City; or (b) a purchaser of all or substantially all of City's capital stock, assets and business involving the line of business that primarily utilizes the licensed material; provided that with respect to subsections (a) and (b), the resulting assignment shall not expand the scope of the licenses granted hereunder.

(C) The foregoing assignment shall be valid only if: (a) City provides prior written notice to Licensor; and (b) such assignee or transferee shall have expressly assumed in a written agreement with Licensor, the rights, duties and obligations of City under this Agreement. No such assignment or transfer shall operate to release City of its duties or obligations under this Agreement, absent an express written release executed and delivered by Licensor (it being understood and agreed that Licensor shall not unreasonably withhold its consent to such a release if the assignee or transferee is the operator or successor to City's line of business involving the licensed material).

(D) Licensor shall have the right to assign or transfer (including by merger or otherwise by operation of law) its rights, duties and obligations under this Agreement with the prior written consent of City, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, such consent shall not be required for an assignment by Licensor: (a) after Licensor has successfully completed final Acceptance of all Licensor Deliverables and made as part of the sale of all or substantially all of Licensor's capital stock, or Licensor's assets and business involving the line of business that related to the products; or (b) at any time, made solely in connection with a complete assignment of all or substantially all assets related to the products to any entity that is a direct or indirect wholly-owned subsidiary of Tata Consultancy Services Limited in connection with an internal reorganization of the business of Tata Consultancy Services Limited provided that, absent an express written release executed and delivered by City, Licensor shall not be relieved of any of their obligations hereunder.

(E) The foregoing assignment shall be valid only if: (a) Licensor provides written notice to City; and (b) such assignee or transferee shall have expressly assumed, in a written agreement with City, the rights, duties and obligations of Licensor under this Agreement.

14.7 **No Waiver.** Failure or delay by either Party to exercise any right under this Agreement shall not constitute a waiver of any other terms or conditions of this Agreement with respect to any other or subsequent breach, or a waiver by such Party of its right at any time thereafter to require exact and strict compliance with the terms of this Agreement. In order to be effective, all waivers under this Agreement must be in writing and signed by the waiving Party.

14.8 **Notices.**

(A) All notices and other communications required under this Agreement shall be in writing and sent to the address stated below, or to such other address as shall be given by either Party to the other in writing, and shall be effective: (a) upon actual delivery if presented personally or sent by express overnight courier such as Federal Express (with a signature acknowledging receipt); or (b) seven (7) days following deposit in the United States mail if sent by certified or registered mail, postage prepaid, return receipt requested.

(B) If to Licensor:

Impression Technology, Inc.
1777 N California Blvd, STE 240
Walnut Creek, California 94596-4684
Attn: Bruce Lechner and Mike Tokuyama
Telephone : (925) 280-0010
Facsimile: (925) 280-0092

(C) If to City:

City of Glendale,
Attn: Bill Bond, Tax and License Manager
5850 West Glendale Avenue
Glendale, Arizona 85301

With required copies 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

(D) Concurrent Notices:

(i) All notices to City's representative must be given concurrently to City Manager and City Attorney.

(ii) A notice will be deemed not to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.

(iii) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Licensor identifying the designee(s) and their respective addresses for notices.

(E) Changes. Licensor or City may changes its representative or information on notice by giving notice of the change in accordance with this Section at least ten (10) days prior to the change.

(F) Daily Operations. Notwithstanding the foregoing, day-to-day communications between the Parties may be made by phone, facsimile transmission, e-mail or any other method agreed to by the Parties.

14.9 **Applicable Law.** This Agreement shall be governed by the laws of the State of Arizona, without giving effect to the conflicts of law principles thereof. The venue for any and all legal disputes and causes of action arising out of this Agreement shall be in the State and Federal courts in Maricopa County, State of Arizona.

14.10 **Force Majeure.** If either Party is delayed in or prevented from performing any of its obligations hereunder by reason of a governmental law or regulation, court order, labor disturbance, act of God, fire, flood, national emergency, war, insurrection, terrorist acts, civil disturbance, or other reason of a like nature beyond the control of and not the fault of or due to the negligence of such Party, which such Party is unable to prevent or overcome by the exercise of ordinary prudence and diligence (including, but not limited to, the implementation and exercise of a reasonable disaster recovery plan), upon such Party giving prompt notice and full particulars of such cause to the other Party, the performance of such obligation shall be excused for the period of the delay, and the period for the performance of such obligation shall be extended for an equivalent period.

14.11 **Employee Non-Solicitation.** Neither City nor Licensor shall, except with the prior written consent of the other, solicit or hire any employee of the other Party during the time such employee is associated with any Services under this Agreement and for a period of one (1) year after such person ceases to be so engaged. The foregoing restriction shall not apply to the employment of any person who responds to a general recruitment advertisement issued to the public.

14.12 **Cooperation.** Each Party to this Agreement agrees to execute and deliver all documents and to perform all further acts and to take any and all further steps that may be reasonably necessary to carry out the provisions of this Agreement and transactions contemplated thereby. Each Party shall perform its obligations hereunder acting in a fair and reasonable manner.

14.13 **Export - Import Laws.** Licensor is solely responsible to comply with any applicable laws and regulations for importation or exportation of any Software or any other material provided by City or Licensor in connection with this Agreement. Each Party will comply with any applicable U.S. export regulations with respect to export of software or technology from the United States to Licensor's offshore facilities. Unless authorized by U.S. regulation or an export license or exemption, each of City and Licensor, agree that they will not re-export, directly or indirectly, any software or technology received from the other Party, or allow the direct product thereof to be exported or re-exported, directly or indirectly, to Cuba, Iran, North Korea, Libya, Sudan, Syria or any other country in Country Group E:2 of the Export Administration Regulations of the Department of Commerce (see http://www.bxa.doc.gov) or any other country subject to sanctions administered by the Office of Foreign Assets Control (see http://www.treas.gov/ofac/), as revised from time to time.

14.14 **Headings.** The various headings and subheadings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

14.15 **Severability.** The invalidity of one or more phrases, sentences, sections or clauses contained in this Agreement shall not affect the remaining portions of this Agreement or any part thereof; and in the event that one or more phrases, sentences, sections or clauses shall be declared void or unenforceable by any court of competent jurisdiction or by any government or regulatory agency, such provision will be deemed restated, in accordance with applicable law, to reflect as nearly as possible the original intentions of the Parties, and this Agreement shall be construed as if any such phrases, sentences or clauses had not been inserted herein.

14.16 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.17 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

14.18 **Compliance with Laws.** Licensor shall comply with all existing and subsequently enacted federal, state and local laws, ordinances, codes and regulations which are, or become, applicable to its performance of the services under this Agreement. If a subsequently enacted law imposes substantial additional costs on Licensor, a request for an amendment may be submitted pursuant to Section 2.2; however, no such change order may be approved by the City if it results in an increase of the Agreement amount approved by the City Council unless additional approval, as applicable, is obtained, in which case Licensor shall have no obligation under this Section.

(SIGNATURES APPEAR ON PAGE 1)

Attachment A

System Software and Maintenance and Support Fees

System Software

Impression Technology will provide the iCapture software shown in Table 1 below directly to the City under this Agreement between the City and Impression Technology. This Software is certified to run in SQL Server 2008, Windows Server 2008 and supports virtualization. The total License Fee listed below shall be due and payable upon the successful completion of the installation of the Software at the City facilities.

Table 1-iCapture Software

Item	Description	List Unit Price	Discount	Discount Unit Price	Qty	Extended List	Glendale Price
1	iCapture Core (25 users)	$31,800	-60%	$12,720	1	$ 31,800	$ 12,720
3	iCapture Reports Server (incl Crytal Reports)	$44,500	-60%	$17,800	1	$ 44,500	$ 17,800
4	Form Definition Editor	$33,400	-60%	$13,360	1	$ 33,400	$ 6,263
5	Automated TransBuilder	$12,900	-60%	$5,160	1	$ 12,900	$ 5,160
6	iScanPlus	$6,900	-60%	$2,760	2	$ 13,800	$ 10,350
7	Image Enhancement	$26,000	-60%	$10,400	1	$ 26,000	$ 4,875
8	Post-Processor, Business Rule Engine	$26,500	-60%	$10,600	1	$ 26,500	$ 8,480
9	ICR/OCR Adaptor	$14,500	-60%	$5,800	1	$ 14,500	$ 5,800
10	ICR/OCR Processor	$9,000	-60%	$3,600	1	$ 9,000	$ 3,600
11	Key Data Entry	$3,900	-60%	$1,560	5	$ 19,500	$ 7,800
12	iExport-TaxMantra	$33,500	-60%	$13,400	1	$ 33,500	$ 13,400
13	iExport-to ECM repository (TBD)	$33,500	-60%	$13,400	1	$ 33,500	$ 13,400
	Total Impression Software					**$ 298,900**	**$ 109,648**

Maintenance and Support

Table 2 below shows the annual cost of maintenance and support for the iCapture software that will be provided for the City. The iCapture software warranty of not less than one (1) year shall commence on the "go-live" date of the Impression software and shall remain in effect for a period of one (1) year from the "go-live" date of the complete tax and licensing information system solution. Following this warranty period, the Year 1 Maintenance Fee shown below shall be applicable for the next 12 month period. The annual costs shown are based on Impression Technology's standard On-Line Maintenance as defined within the Impression Technology Maintenance and Support Plan incorporated herein (Attachment B). The maintenance and support pricing for Years 1 and 2 are fixed as shown in Table 2, with annual escalation of 5% in Years 3, 4 and 5 as shown. Maintenance shall be prepaid on an annual basis.

Table 2 iCapture Annual Maintenance

Year 1	iCapture On-Line Maintenance	$ 35,868
Year 2	iCapture On-Line Maintenance	$ 35,868
Year 3	iCapture On-Line Maintenance	$ 37,661
Year 4	iCapture On-Line Maintenance	$ 39,544
Year 5	iCapture On-Line Maintenance	$ 41,522

iCapture Training

Table 3 below shows the formal iCapture Training Courses that will be provided to the City as a part of the Scope of Work defined in the services contract between TAIC/TCS and Impression Technology. The City may, at its option, purchase additional Training from Impression Technology in the future and the quoted price of this training will be fixed at the costs shown for the first five (5) years from the date of execution of this Agreement.

Table 3 iCapture Training

Courses Title	Duration	Description	Services Cost	Materials Cost	Total Cost/Course
iQMonitor User Training	½ day	This course introduces ***iCapture***™ and the related components to the key data entry managerial or supervisory staff. It will cover all aspect of monitoring the system using the ***iQMonitor*** utility.	$1,260	$140	$1,400
iStatViewer User Training	½ day	This course introduces ***iStatViewer*** and ***iStatistics*** to the potential users interested in generating reports to evaluate performance and productivity of users and processes on the system.	$1,260	$140	$1,400
iCapture™ Administration Training	2 days	This course introduces ***iCapture***™ and the related components to the system administrative and development staff. It will cover all aspect of configuring, monitoring, and troubleshooting the system.	$5,040	$560	$5,600
iFormEdit User Training	½ day	***iFormEdit*** is a form definition tool that is used to introduce forms into the system. It allows the form administrator and development staff to map and associate various field-attributes to specific region of the form image for the purpose of recognition and data capture. A well-defined and carefully thought-out form definition will improve the recognition accuracy, and the system throughputs.	$1,260	$140	$1,400
iSL Developer Training	½ day	Form related, application-specific business rules may easily be expressed in ***iSL*** and captured data may be validated and "scrubbed" before presentation to ***iEditor*** operators or export. This course will introduce the ***iSL*** language syntax, built-in functions, development approach, and troubleshooting techniques.	$1,260	$140	$1,400

Attachment B

to Software License Agreement

iCapture™

Maintenance and Support Plan

Revision 2.5

Oct 22, 2006

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1 Maintenance and Support Plan

1.1 Introduction

This document describes the Maintenance and Support plans currently offered by Impression Technology. It provides an overview of the support infrastructure that is in place to meet the needs of customers, the Service Levels, incident reporting, escalation procedures and the standard pricing for the maintenance and support options that are available. It is designed to provide a high degree of flexibility in meeting the requirements of each customer while ensuring a rapid response to issues and the highest degree of system availability. Impression Technology provides maintenance and support following the execution of a Maintenance Agreement based on the provisions and services described in this plan, modified as required to meet unique needs that are identified.

1.2 Support Infrastructure

Impression Technology has a very effective support infrastructure in place with a compressive selection of services. It supports all aspect of customer needs through our automated support web site and through personal interaction with our knowledgeable engineers. Some of the features of this support infrastructure are outlined below:

- Offers multiple service levels to meet customer business needs for all sites big and small.
- Provides customer access via e-mail, telephone, and the World Wide Web.
- Pages support engineer automatically when a request is issued through our online support web site.
- Processes and tracks problems by priority and severity of the request.
- Offers user-friendly web access to follow-up on any open trouble ticket to assist in the resolution of the problem.
- Supports the automated escalation of problem severity levels to ensure all reported problems receive the attention required and the dedication of resources to effect continuous, reliable operation of the installed solution.
- Supports flexibility to allow customer initiated escalation for on-site support.
- Maintains an indexed and searchable knowledgebase of all trouble ticket resolutions accessible to the user community.

1.3 Service Levels

Impression Technology offers three basic levels of maintenance and support service: On-line Standard Service, On-call Service, and our On-Site Service. Table 1-1 below provides a comparison of the features of the Impression On-Site, On-Call and Standard On-Line Maintenance and Support Plan. As shown, this table provides summary information regarding problem response time, on-site support costs, on-site response times, automatic escalation, and software fixes and upgrades for each of the options offered by

Impression. This information provides the basis for the initiation of a Maintenance Agreement with each customer, customized to meet the specific requirements and business needs that exist at that site.

Table 1-1 Support Features

Support Features	*Standard On-Line Service*	*On-Call Service*	*On-Site Service*
On-Line Support Request	Unlimited	Unlimited	Unlimited
Problem Resolution Time	4-hour response time.	4-hour response time.	N/A
Severity Level 2 or 3 Response	All Severity Level 2 or 3 problems are addressed via remote support and diagnostics during Impression's normal PPM, subject to the escalation process.	Same as On-Line Service, but a customer may, at its discretion, request that a support engineer be dispatched to the site to continue work locally. The cost of this on-site support for a Level 2 or 3 problems will be in accordance with the Maintenance Agreement in effect between Impression and the customer.	Immediate on-site support in accordance with the Maintenance Agreement in effect between Impression and the customer.
Severity Level 1 Response	Impression will immediately commence remote support, including dial-in diagnostics and support if available, to correct the identified problem and return the system to operation via a fix, or a work-around. Impression will continue its best efforts to return the system to operation for at least one complete PPM prior to requesting authorization from the customer to dispatch a support engineer to the site.	If the system cannot be returned to operation after four hours during PPM, Impression will dispatch a support engineer to the site on the next available flight, or fastest means possible.	Immediate on-site support in accordance with the Maintenance Agreement in effect between Impression and the customer.
On-Site Support Cost	Per request based on standard T&M Rates.	Per request based on discounted cost of pre-negotiated number of on-site visits per year.	N/A
On-Site Response Time	Level 1 – Report plus 1 business day. Level 2 – Report plus 72	Level 1 – 4 Hours, then next available flight out. Level 2 – Report plus 24	N/A

Support Features	Standard On-Line Service	On-Call Service	On-Site Service
	hours (three business days).	hours (1 business day).	
Automatic Escalation From Severity 3 To 2	3 Business Day (72 hours)	1 Business Day (24 hours)	1 Business Day (24 hours)
Automatic Escalation From Severity 2 To 1	3 Business Day (72 hours)	1 Business Day (24 hours)	1 Business Day (24 hours)
Software Fixes	Yes	Yes	Yes
Software Upgrades	Yes	Yes	Yes

1.3.1 Standard On-line Service

This is our standard maintenance and support offering. It features unlimited online support over the telephone, electronic mail, and web to initiate, track and respond to all support requests. Our Electronic Help Desk, described in more detail later, will document and automatically page a qualified engineer that can assist in the resolution of any question or problems about the ***iCapture*** software product suite. It also provides for on-site support if authorized separately by the customer, but at our standard rates and response times that are not as aggressive as those provided under our On-Call Service plan. This is the lowest fixed cost option for those customers who can meet their business needs with a predetermined level of support coverage provided through our standard PPM.

1.3.2 On-Call Service

Our On-Call service offering is an enhanced version of our Standard On-line offering described above. As such, it includes all of our On-Line Service support plus a pre-defined program for On-site support to resolve problems that cannot be corrected via remote support within a specified period of time. Under this offering, Impression will dispatch an engineer to the Customer's site within a specified period of time as agreed to in the Maintenance Agreement. The engineer will remain on site until either the problem is corrected or an alternate plan agreed to by the customer is placed into effect. The charges for this Service level include the charges for our Standard On-Line Service plus a fixed pre-determined charge for the on-site support program structured to meet the customers projected requirements. This service offering is particularly attractive to customers who experience peak processing periods throughout the year when a very rapid response is required for any disruption in service regardless of the cause.

1.3.3 On-Site Service

Impression's most comprehensive offering is on-site maintenance. This Service Level 1 program encompasses one or more full time senior level technicians resident at the customer's desired location(s) for a specified time period per day and for a specified number of days per week. On-site maintenance and support personnel are dedicated solely to meeting the needs of that site and the Maintenance Agreement includes a Statement of Work that documents responsibilities and expectations. A customer may contract

for On-Site maintenance on an annual basis, or for specific time periods (minimum one month) and the cost are negotiated based on the specific conditions and agreed to in the Maintenance Agreement.

1.4 Principle Period of Maintenance

While online support request can be placed 24 hours a day and 7-days per week, all responses will be processed and measured during the PPM in effect for the customer. For our standard On-Line Service offering, this is specified as listed in Table 1-2. If the service request occurred outside the PPM, the service request time will be adjusted to commence at the next earliest coverage period as specified in Table 1-2. For example, if a support request is placed at 20:00 (8:00 pm) with a 4-hour response time, a support response from Impression is not required until the following business day at noon. Or if the service request is initiated during PPM but adequate time is not available to fully resolve the problem, the required response will be carried to the next PPM. For example a support request initiated at 17:00 (5:00 pm) would require a response no later than 11:00am the following business day. Exceptions to these limitations will be handled at the discretion of the support engineer.

Table 1-2 Principle Period of Maintenance (PPM)

Service Level	*Time (Mon – Fri)*	*Time Zone*
On-Line Service	08:00 - 18:00	Pacific Standard Time
On-Call Service	08:00 - 18:00	Pacific Standard Time
On-Site Service	Customer Business Hours	Customer's Local Time Zone

1.5 Extension to Standard PPM

In addition to providing our standard hours of coverage as described above, customers may optionally choose to contract an extension to our standard PPM as needed to meet peak processing based on their business needs. For this we require a minimum extension period of 4 weeks and we advise a minimum 8-week advance notice to sufficiently resource the extended hours of coverage and operation.

1.6 Technical Support Access Methods

As noted above, technical support requests may be reported to Impression Technology via telephone, e-mail or directly through our support web site. The following table provides the details on how the support staff may be contacted. We recommend the use of our web site, which supports the fastest method of accessing help. To support the fast response feature, our knowledgeable support staff is electronically paged to alert them of pending trouble tickets to quickly solicit additional information to resolve problems expeditiously as possible.

Table 1-3 Technical Support Access Methods

On-Line Access Method	
Telephone	925-280-0010
E-mail	support@impression-technology.com
World Wide Web	http://www.impression-technology.com and click on the Support link

1.7 Problem Severity Levels

All Impression Technology ***iCapture*** maintenance and support Service Level plans feature fast response to a reported problem. Customers who submit incident reports via web or telephone during normal business hours, or PPM as described above, will receive a response from the support staff within four hours. This response will consist of a incident report from our On-Line Help Desk for the customer's review. Included in the initial response will be:

I. A brief description of the incident---this will be primarily comprised of the information provided by the customer plus any additional information that can be learned within the first fours hours of receiving the report.

II. **Severity Assignment:** Impression Technology will assign a Severity Level to each incident report that is received. This will consist of one of the following:

Severity Levels	*Description*
Severity 1	The problem is either stopping or severely limiting production operations and no work-around is available.
Severity 2	The problem is either stopping or severely limiting production operations but a work-around is available
Severity 3	The problem is adversely affecting production operations
Bug	A software problem that does not fall into the categories Severity 1, 2, or 3 as described above. All reported "bugs" to the Impression software will be added to the ***iCapture*** "bug list"
Recommendation	A request for a new feature. All customer initiated Recommendations are added to the ***iCapture*** requested features list that is maintained by Impression. This information is used by the development staff in determining the scope and content of ***iCapture*** upgrades and new releases.

I. **Owner**: Impression Technology will designate the support engineer responsible for investigating the incident and maintaining communications with the customer on the status of the specific request.

Incident reports that are logged outside of the standard working hours via the web that are classified as Severity 1 or 2 will result in a call back from the on-call field service engineer within this same two hour period. The written report from Impression Technology will be provided to the customer within the first four hours of the next Impression PPM.

1.8 Problem Resolution Process

The Maintenance and Support plan provides for a specific set of actions depending on the Severity Level of the problem that has been reported and the Service Level Agreement that is in effect between Impression Technology and the customer.

1.8.1 Severity Level 1 Process

Upon receipt of a Severity Level 1 problem, Impression Technology will immediately commence remote support, including dial-in diagnostics and support if available, to correct the identified problem and return the system to operation via a fix, or a work-around.

Under an On-Call Service Level, if the system cannot be returned to operation after four (4) hours of the start of the next Impression PPM, Impression will dispatch a support engineer to the site on the next available flight, or fastest means possible.

Under a Standard On-Line Service Level, Impression will continue its best efforts to return the system to operation for at least one complete PPM prior to requesting authorization from the customer to dispatch a support engineer to the site. Under this latter scenario, the customer may authorize a site visit.

In the event that Impression sends a support engineer to a site where an On-Call Maintenance Agreement is in effect and it is subsequently determined that the cause of the Severity 1 Level problem is unrelated to the installed Impression software, all costs of this on-site visit will be paid by the customer in accordance with the rates established in the Maintenance Agreement.

1.8.2 Severity Level 2 Process

All Severity Level 2 problems are addressed via remote support and diagnostics during Impression's normal PPM, subject to the escalation process described in the following section. Efforts to correct Level 2 problems will be continuous and the customer will be contacted as necessary as work proceeds. A customer may, at its discretion, request that a support engineer be dispatched to the site to continue work locally. The cost of this on-site support for a Level 2 problem will be in accordance with the Maintenance Agreement in effect between Impression and the customer.

1.8.3 Severity Level 3 Process

Severity Level 3 problems are addressed via remote support and diagnostics during Impression's normal PPM, subject to the escalation process described in the following section. Information regarding the status of correcting all Level 3 problems that are reported will be logged to the Impression web site, or communicated directly to the customer, on a daily basis.

1.8.4 Bugs and Recommendations

All reported "bugs" to the Impression software will be added to the ***iCapture*** "bug list" maintained on the Impression web site. Status information and updates will be posted to this site as fixes and corrections are completed, tested and released. All customer initiated Recommendations are added to the ***iCapture*** requested features list that is maintained on the Impression web site. This information is used by the support and development staff in determining the scope and content of ***iCapture*** upgrades and new releases.

1.9 Incident Escalation

The Maintenance and Support Plan provides for the automatic escalation of problems and incidents that are classified as either Level 2 or 3. For those customers that have an **On-Call** Maintenance Agreement in force, a Severity Level 2 problem will automatically be escalated to Level 1 after 1 full business day following the receipt of the report. This provides Impression a minimum of one full PPM to correct the problem prior to its escalation. Similarly, a Severity Level 3 problem will be escalated to Level 2 on the after 1 full business day following the receipt of the support request.

For those customers that have a Standard **On-Line** Maintenance Agreement in force, a Level 2 or 3 problems are automatically escalated to the next level after 1 full business day following the receipt of the support request. In both of the situations cited above it should be noted that a Level 3 problem would, unless resolved, rapidly become a Level 1 incident even though the problem is not stopping system operations in any way. This escalation process has been implemented to ensure that all reported problems receive the attention required and the dedication of resources to effect continuous, reliable operation of the installed solution.

1.10 On-Site Support

If a support engineer has been dispatched to a site this individual will remain on site until the problem is fully resolved or a mutually agreeable work plan is developed jointly with the customer. This work plan may include additional on site resources with specific skills based on the nature of the problem, additional remote work by Impression Technology, the need for customer or third party resources to correct a problem not related to the Impression software, or any combination of the above. In the event that the customer requests that the Impression support engineer remain on site to assist in the resolution of a problem not related to the Impression software, all costs will be paid by the customer in accordance with the Maintenance Agreement in effect at that time.

1.11 Remote Dial-In Analysis

Impression Technology recommends that all customers who enter into Maintenance Agreements also work with our technical support staff to establish the infrastructure and procedures that will dial in to the site to support the execution of remote diagnostics and troubleshooting in the event of a problem or incident. This capability, when combined with telephone support, has proven to be a very efficient and effective method for identifying, analyzing and correcting problems. This infrastructure can be established to ensure that access by the Impression support staff is limited and controlled by site personnel and compliant with site security requirements. Product Warranty

1.12 Maintenance Training

A prerequisite for the execution of a Maintenance Agreement is the completion of the training courses by one or more customer personnel. This training is typically conducted as a part of the Statement of Work between Impression and each customer under a separate Consulting Agreement and we recommend that it be completed prior to the completion of Acceptance tests, or the start of production operations. At the completion of this training these individuals will be provided a single username and password representing their site that will enable them to make full use of the Impression web site and Electronic Help desk described below.

1.13 Exclusion

Maintenance and support services provided under a Maintenance Agreement may commence when the system is placed into production operations or upon the completion of Acceptance testing, whichever occurs first. These services do not include pre-acceptance test activities performed by Impression Technology, design or consulting tasks, formal training, the correction of problems or issues related to hardware or software provided by third parties (other than that included in the Impression software Bill of Materials), network or communication issues when customer supplied, the correction of defects in application software developed by the customer or third parties that interface with the Impression solution, or services provided by Impression related solely to system enhancement or expansion. These types of services will be provided by Impression Technology under a separate Consulting Agreement and specific Statement of Work.

1.13.1 Product Upgrades and Releases

All customers that execute a Maintenance Agreement will automatically become eligible for the Impression Technology Product Upgrade and Release program.

Periodically, Impression Technology provides "maintenance" releases of its ***iCapture*** software. These maintenance releases are a collection of critical and non-critical fixes bundled into a single release to simplify testing and installation and limit the frequency of this activity. If, however, critical problems are uncovered within the ***iCapture*** software that requires immediate correction to prevent or minimize Severity Level 1,2 or 3 problems, Impression Technology releases software patches as required.

Customers subscribing to any ***iCapture*** maintenance and support plan are entitled to upgrades, releases and patches within the cost agreed to on the Maintenance Agreement. Customers will receive these updates via the Internet at http://www.impression-technology.com, including release notes and installation instructions. The customer is responsible for all installation and support for this effort is provided via the standard policy described above. Impression Technology discusses each Upgrade with each customer to ensure an awareness of the potential impact, if any, of moving to this new release. The customer is responsible for the testing of the software in its environment and its installation. Support for this is again provided via the standard maintenance and support channels. Once installed, this software is subject to all of the same maintenance and support provisions as any earlier version.

Impression Technology produces Upgrades to the ***iCapture*** software in three different categories: major release, minor release and lettered release. The category of the release is indicated by the way that the version number changes with respect to the previous release. A major release contains very substantial new features and is indicated by a change in the most significant part of the version number, e.g. v2.1 to v3.0. Note that a major release may be subject to additional license fees. A minor release may contain significant new features, a group of less significant enhancements, and/or performance enhancements and is indicated by a change in the least significant part of the version number, e.g. v2.1 to v2.2. A lettered release usually contains only problem corrections although it may also contain some new capabilities as well. A lettered release is indicated by the addition of or substitution of a letter to the version number, e.g. v2.1 to v2.1a.

1.14 Service Level Pricing

As stated herein, Impression technology executes a Maintenance Agreement with each customer that documents the annual cost of maintenance and support based on the Service Level selected and customer specific parameters such as customer location(s), hours of coverage desired, system configuration and projected on-site support needs, if any.

The following guidelines are used in establishing the quoted price for annual Maintenance and Support:

The "baseline" price for annual Maintenance and Support is 1% per month of the total List Price of the installed ***iCapture*** software. This cost will be paid by all customers regardless of the Service Level selected.

Customers who elect On-Site (Service Level 1) support will be responsible for the full cost of the salary, benefits, travel and living expenses of the engineer while resident on-site. These costs are established with each customer and agreed to in the Maintenance Agreement.

Customers who elect On-Call (Service Level 2) support will pay an additional annual fee for a pre-determined number/duration of on-site visits for maintenance and/or peak processing support. Rates will reflect discounts based on negotiated parameters.

Customers who elect Standard Remote (Service Level 3) may contract for the "baseline" described in Item 1 exclusively. Any on-site costs subsequently incurred would be billed in accordance with Impression's standard T&M rates then in effect, including reimbursement for all actual expenses incurred.

1.15 Impression Technology Electronic Help Desk

After graduating from *iCapture* administration training, the client's single point of contact is given a login to the Impression Technology support web page. This screen appears like the one shown below.

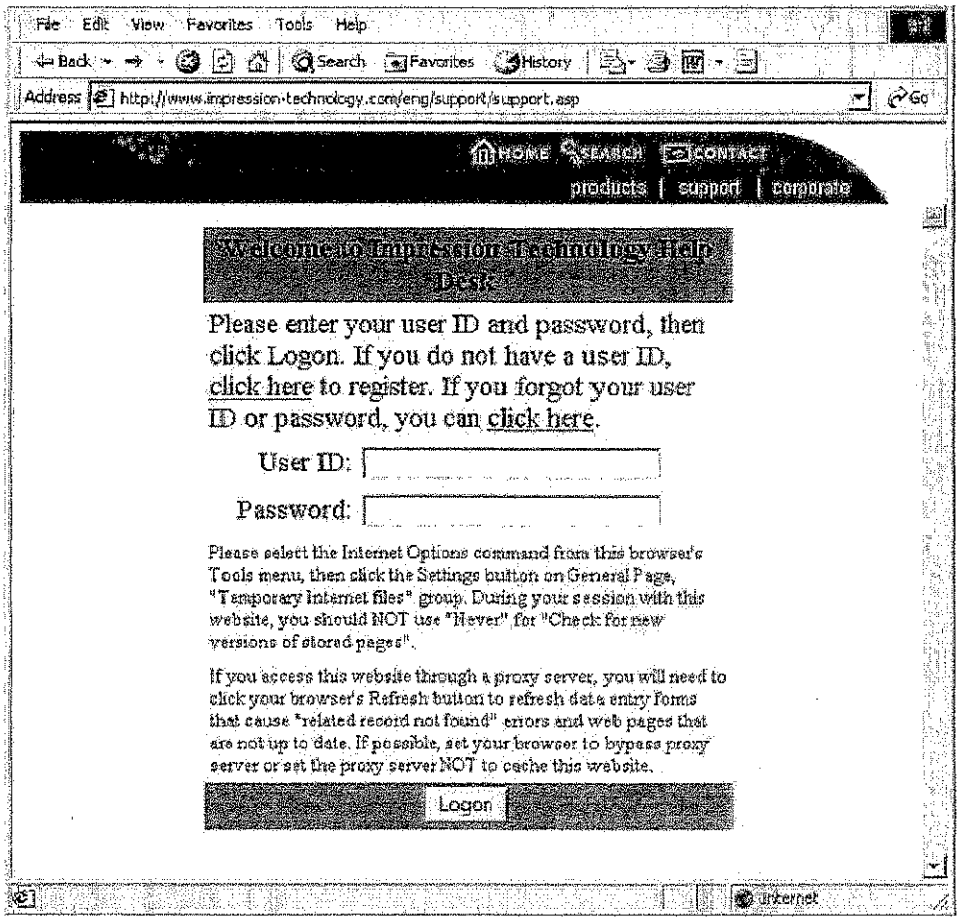

Figure 1: Support Login Screen

The Help Desk main menu option is displayed upon a successful login (as shown below).

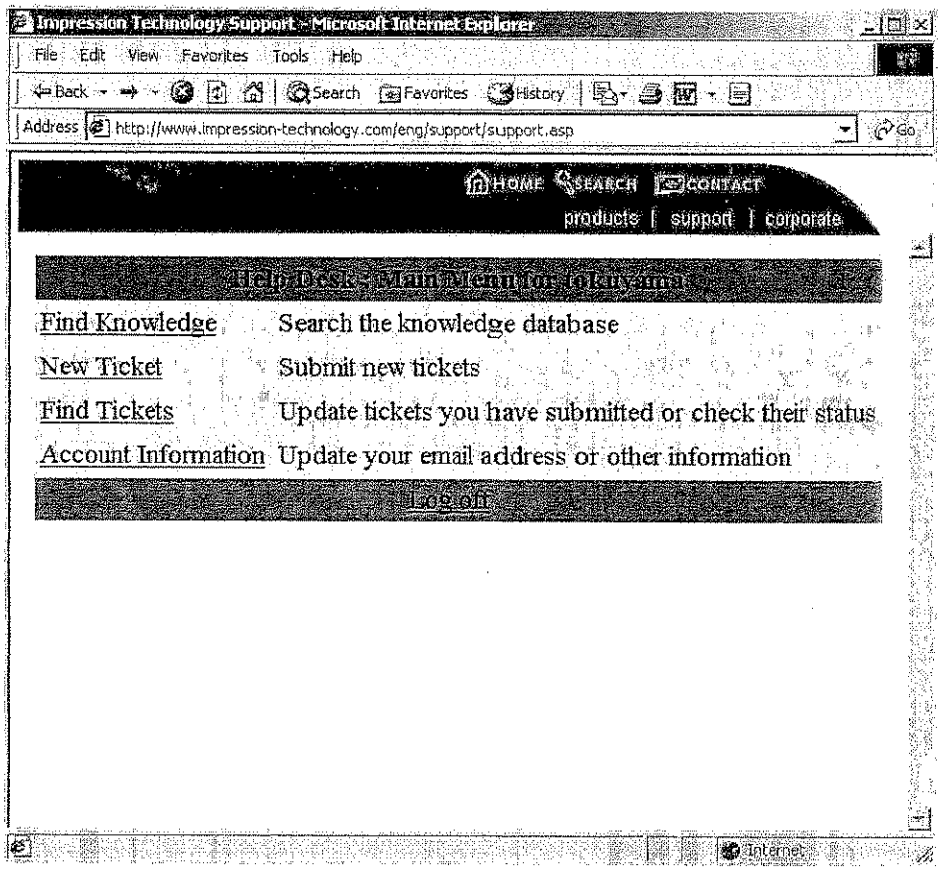

Figure 2 Main Menu

We maintain a knowledge database of trouble tickets resolved in the past to help the ***iCapture*** user community diagnose problems. The option to research our knowledge database is provided through the **Find Knowledge** option from the main menu. Specific topics may be searched by ID, product name, or by keywords as shown below. Blank fields will default to a wild-card search option.

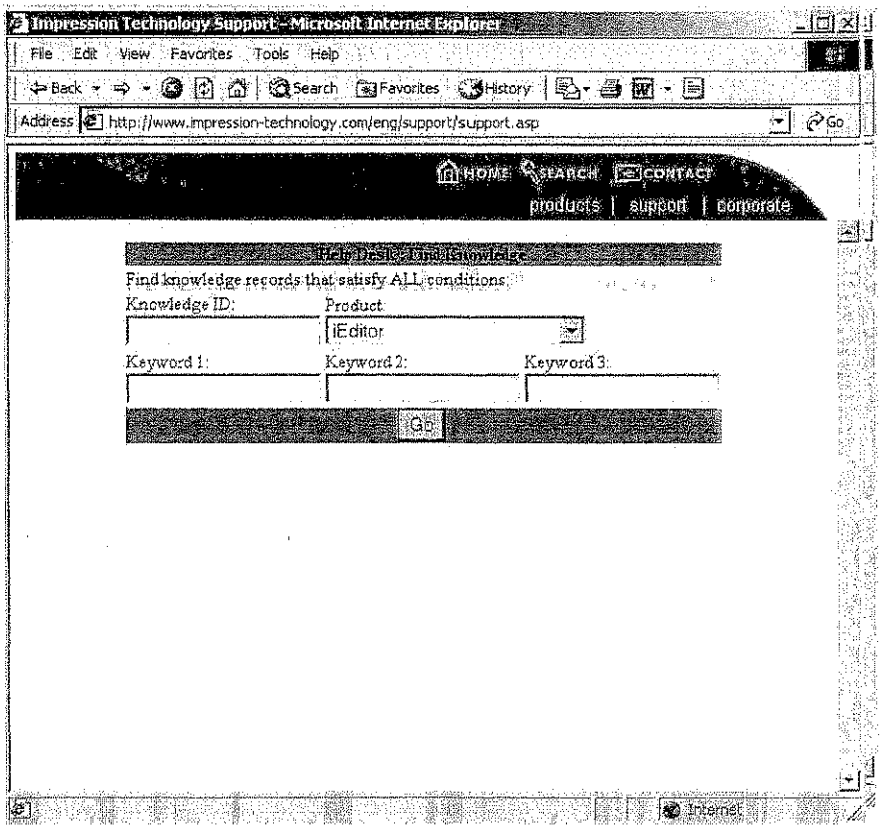

Figure 3 Find Knowledge Screen

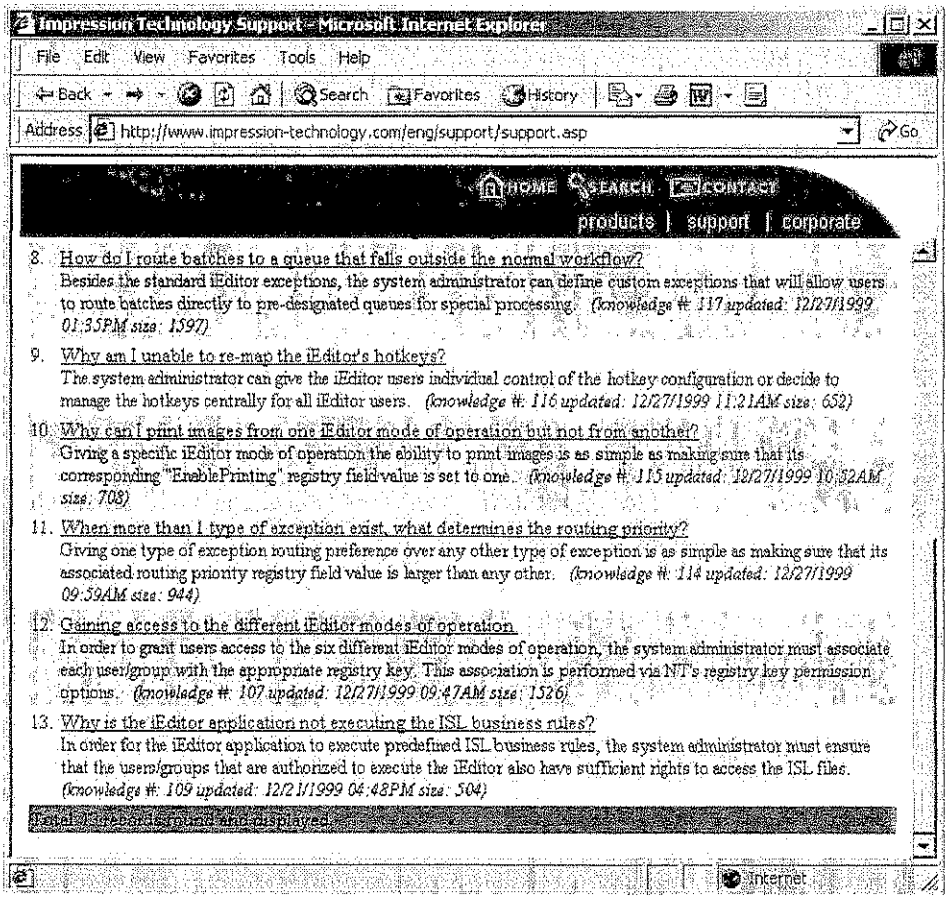

Figure 4 Find Knowledge Search Result

A new trouble ticket may be submitted for each and any application in the ***iCapture*** suite by using the **New Ticket** option in the main menu.

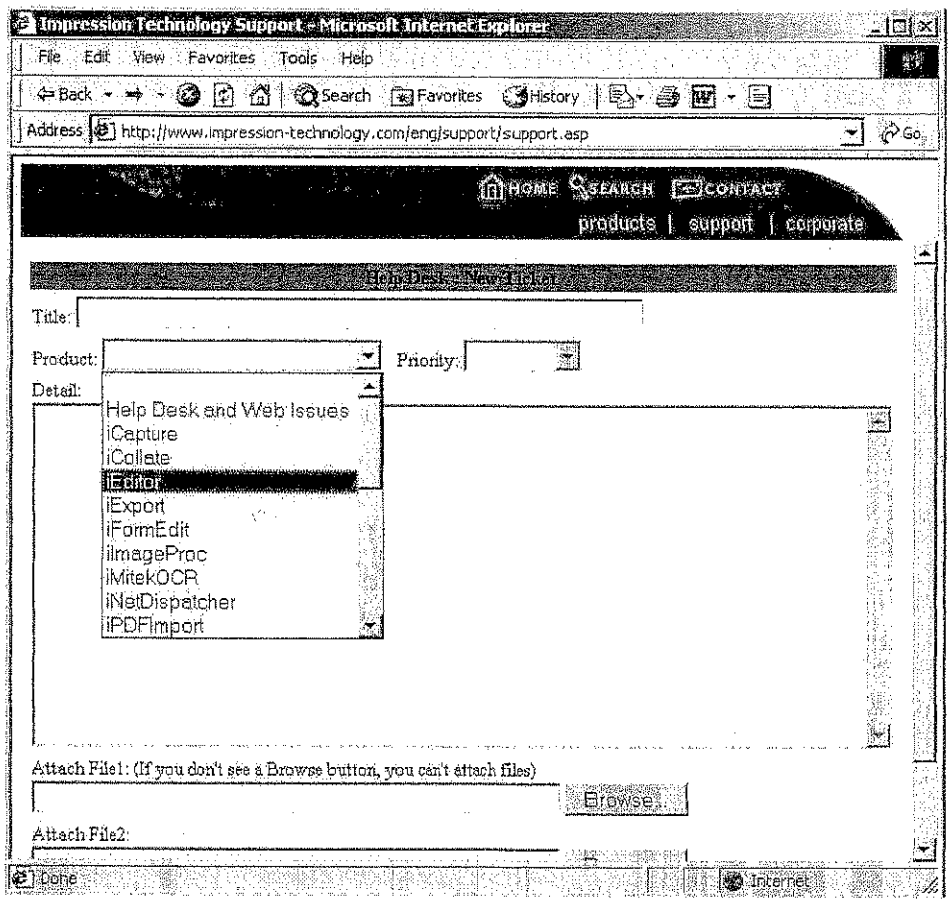

Figure 5: New Ticket Screen -- Application Selection

Once the application name is selected, a description of the problem with your return phone number and the appropriate ticket priority may be entered. Screen dumps, system log files, and any additional notes related to problem may also be submitted as attachments in the designated fields. We highly recommend the compression of the attachment files due to size of the screen dump and log files. Press the **Submit** button when you are finished entering the information.

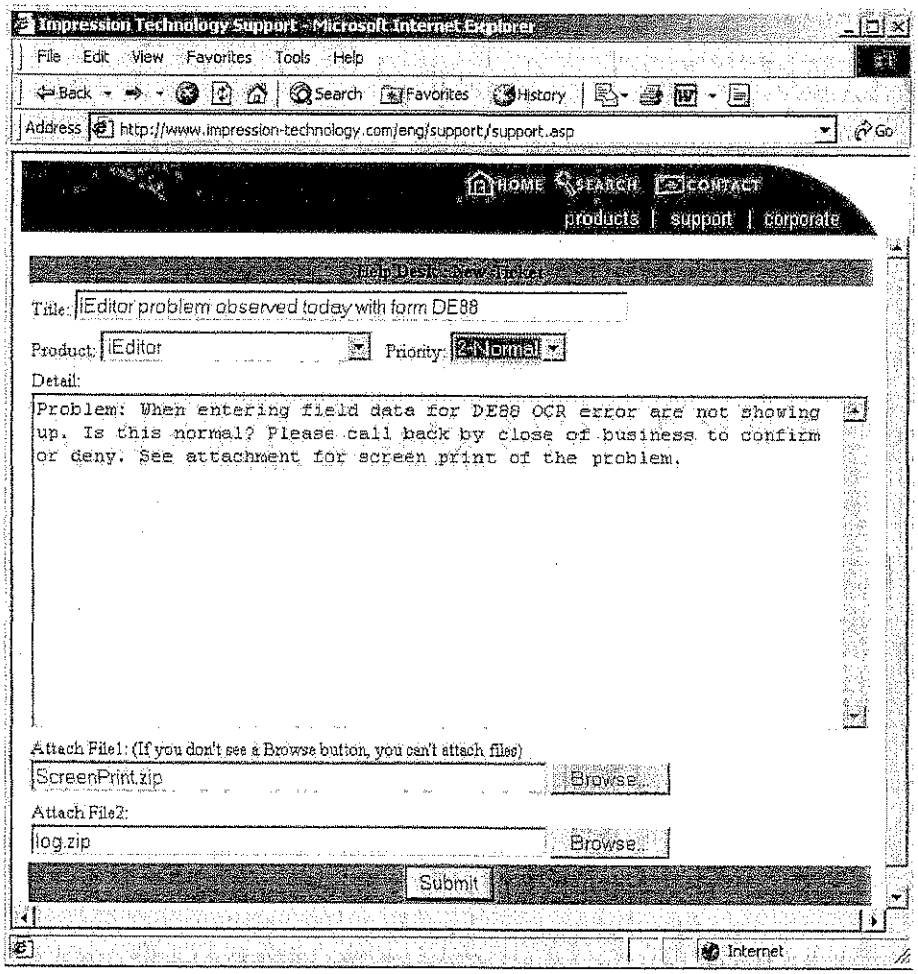

Figure 6: New Ticket Screen – Problem Description

Once the **Submit** button is pressed, the Help Desk system will automatically generate a trouble ticket number as shown below. Please write this number down for subsequent follow-up sessions with the system to monitor the progress of the trouble ticket. The Help Desk system is designed to automatically page a support staff to review any new incoming trouble tickets wherever they are located.

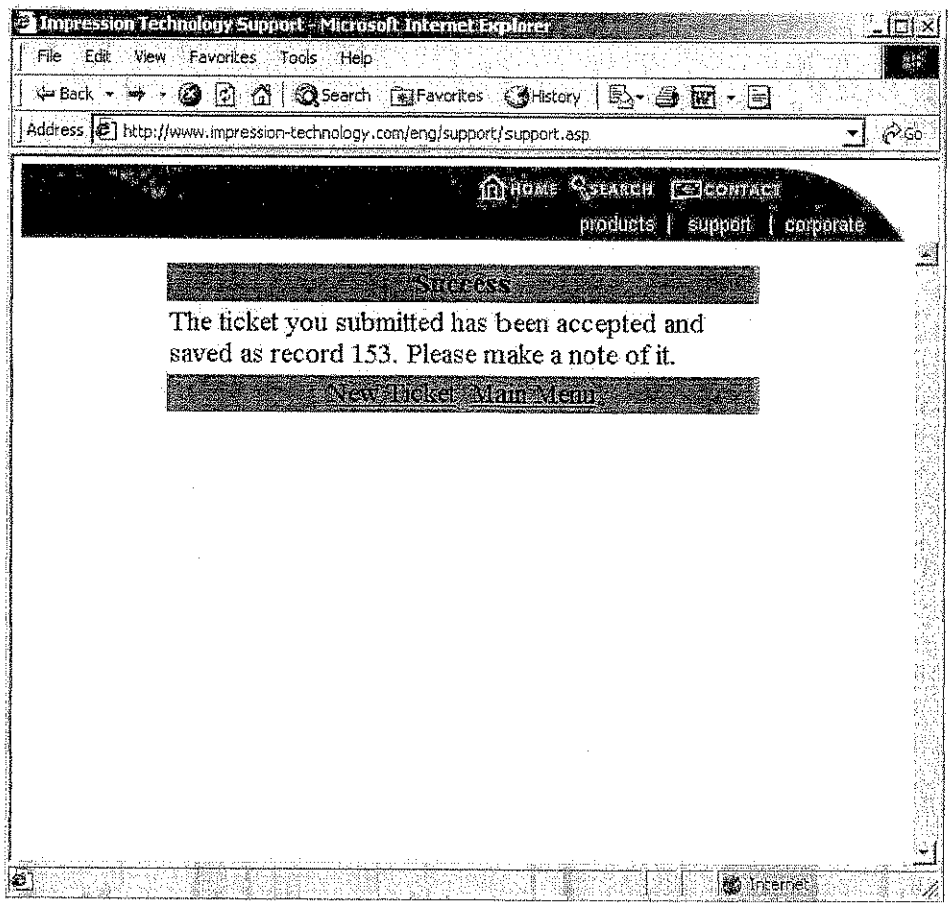

Figure 7 New Ticket Submit Acknowledgement Screen

The **Find Ticket** option from the main menu allows the user to locate and review the current status of the trouble tickets submitted by the user as shown below. If the trouble ticket number is known, enter the ticket number in the field labeled "Ticket ID". If the ticket ID number is lost, leaving the Ticket ID field blank will return all tickets numbers generated by the user. Press the **Go** button when ready to initiate the query. The system will display the result tickets found screen as shown in Figure 8.

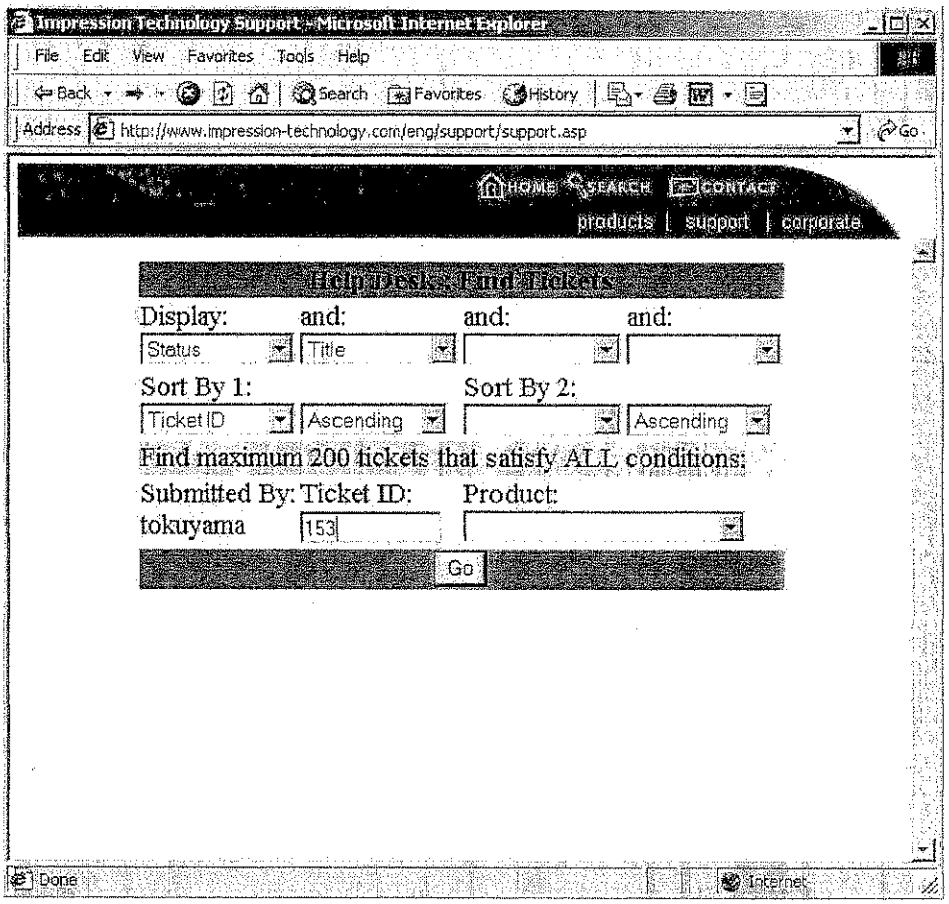

Figure 8 Find Tickets Screen

Press the **Go** button when ready to initiate the query. The system will display the tickets founds as shown below.

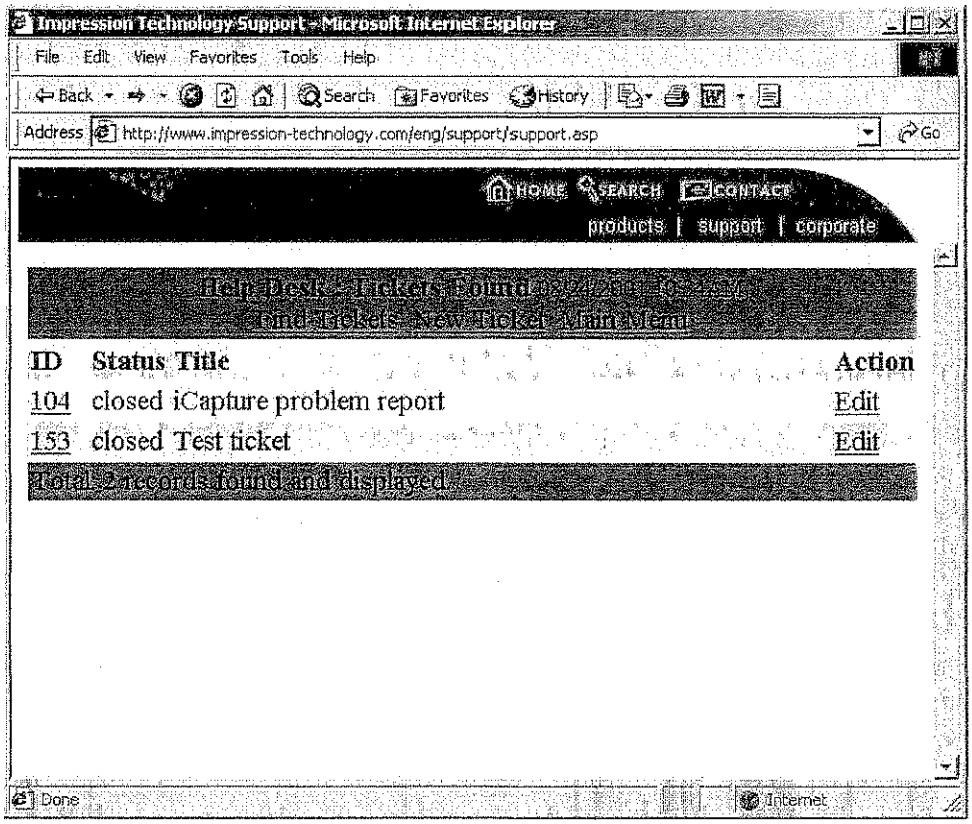

Figure 9 Tickets Found Screen

Select the desired trouble ticket from the list and the complete status of the trouble ticket may be viewed as shown below.

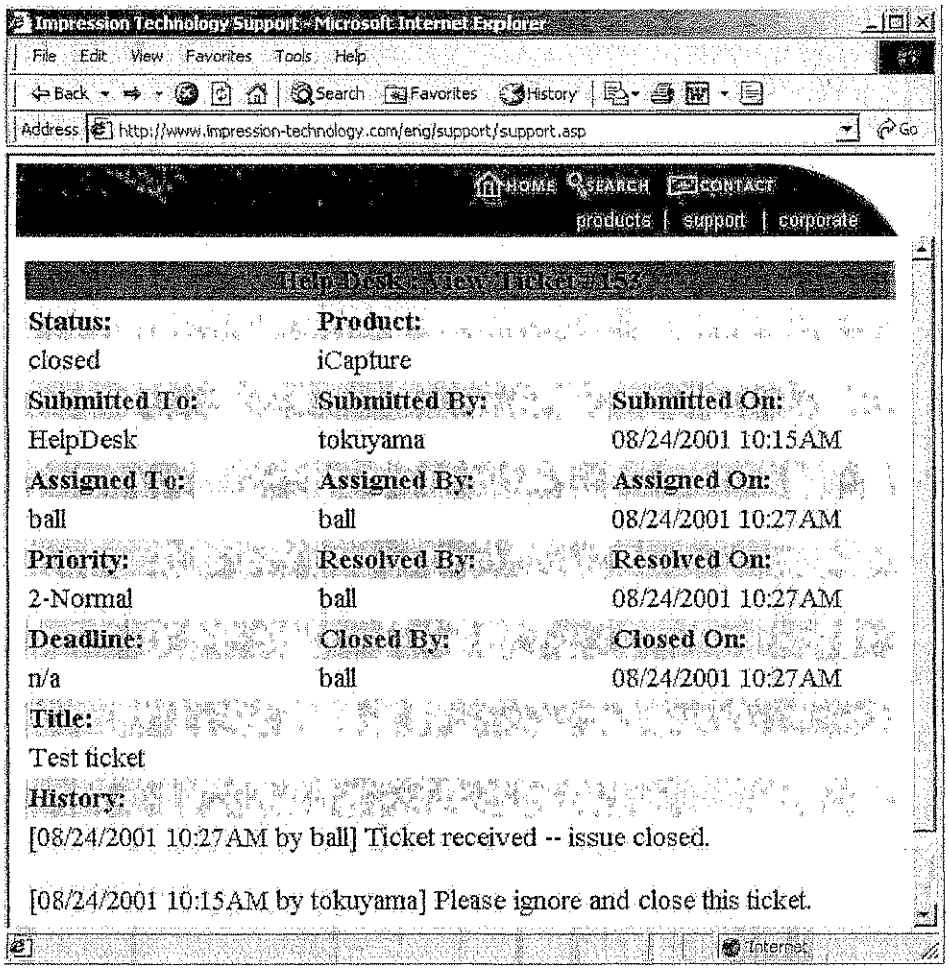

Figure 10 View Ticket Screen

Impression Technology has established a single telephone number to receive support and maintenance calls. *iCapture* users may call this number during normal business hours to speak with an Impression Technology support engineer. After hours, this same number may be used to page the Impression Technology support engineer on-call.

C-7133-1

City of Glendale, TALIS Project

Data Capture Change Order for Remittance Processing Software and Hardware

Impression TECHNOLOGY

Impression Technology,
1777 North California Blvd, Suite 240,
Walnut Creek, CA 94596

Impression
4/16/2010

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APPENDIX A: KODAK S1740 SCANNER SUBSYSTEM A-1

APPENDIX B: SCANNER LEASE AGREEMENT B-1

City of Glendale, TALIS Project

Data Capture Change Order for Remittance Processing Software and Hardware

April 21, 2010

1 Scope

This Change Order addresses the City of Glendale, TALIS project's request to Impression Technology for a fixed-price quotation (CO) to extend the current scope of the TALIS contract to incorporate the additional requirements for remittance payment processing for Tax and Utility bills (water bills). The processing of tax payment transactions received within the Finance Department will be limited to the Sales Tax Return and related monetary documents including Audit Assessments, A/R Statements as well as payments received for Municipal Billing related to water bills. This change order only addresses the necessary adjustments to the software licenses, cost of the necessary scanning hardware, and the incremental annual software maintenance cost. For information related to the implementation cost for required services, please refer to the corresponding Change Oder by TCS which addresses the implementation services including installation, integration, testing, and conversion support services to meet the requirements as stated herein. This CO consists of substitutions or upgrades from types of services, hardware or maintenance previously selected. Prior authorizations extended by the Glendale City Council in 2009 are not exceeded by this CO.

2 Assumptions

Due to the fixed-price nature of this quotation, the cost for the estimated labor is based on the set of assumptions that follows in the subsections below. As such, the final cost may be impacted by events not directly the responsibility of Impression Technology including additional labor required in supporting design modifications and/or supporting product re-configuration external to the iCapture suite of software.

3 Overview

The following is a description of the numbered work steps illustrated in Figure 1.

3.1 Mail Opening and Sorting staff will process all mail with priority given to payment then non-payment documents. Tax and License payment documents will be sorted and batched as described in Sections 5.2 and Municipal Billing Statements as described in 6.3.3.

3.2 The walkup counter will continue to perform the cashiering function via the iNovah system. Upon completion of cashiering, the completed Tax payment document is walked over to the Mail Opening and Sorting area in preparation of scanning.

3.3 The scanning operation will begin scanning the pre-sorted batches with priority given to utility and tax payments then non-payment tax and license documents as prepared by the Mail Opening and Sorting staff.

3.4 Upon completion of identifying and performing the optical character recognition of the forms, the data correction of the scanned documents will begin with priority given to utility and tax payments then non-payment tax and license documents.

3.5 Tax and License payment documents identified to be from the walk-up counter will be merged with the corresponding images of the check or payment receipt from the iNovah system.

3.6 Payment batches will be submitted to the Deposit21 application to deposit the checks immediately. Sales Tax and Municipal Billings will be deposited into their respective accounts at the City's bank. The status of the Deposit21 transactions will be fully accessible via multiple reports via web interface by authorized users only.

3.7 Upon completion of the payment processing and data correction/entry of the associated tax and license document, the XML output files are generated and submitted to TaxMantra.

3.8 Upon completion of the payment processing and data correction/entry of the associated Municipal Billing Statements, the output files are generated and submitted to Harris NorthStar.

3.9 Upon completion of all data correction/entry of the associated tax and license document including the water bills, the XML output files are generated and submitted to Documentum.

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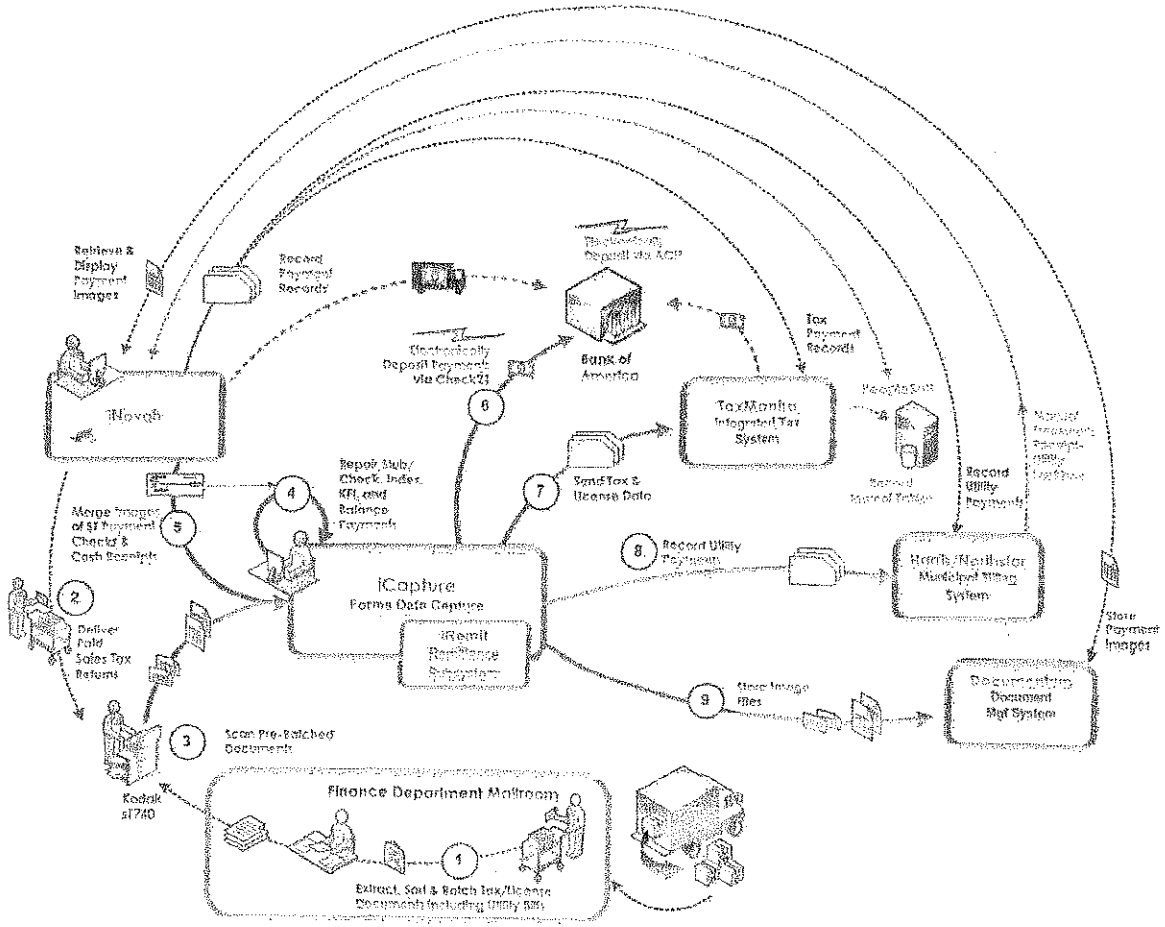

Figure 1 - Overview

4 Modified Data Capture Workflow

This change order is based on the approved detail design of the original data capture system for TALIS with the modified workflow as illustrated in Figure 2. For complete review of this workflow, please refer back to the original Data Capture Detail Design document.

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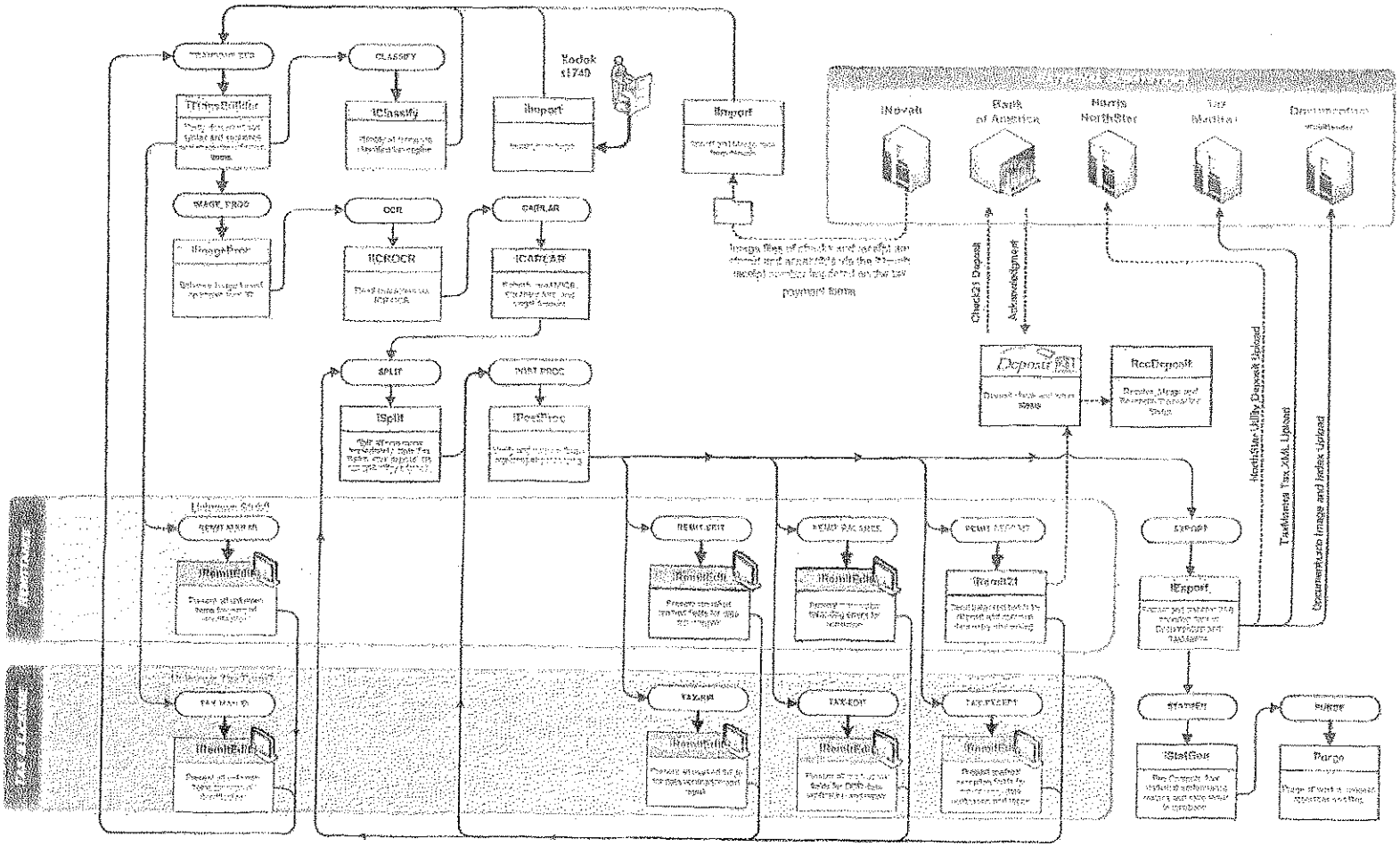


Figure 2 - Workflow

5 Tax/License Payment Processing

5.1 Assumptions

5.1.1 The majority of the tax payment processing activity will be associated with the Privilege (Sales) Tax returns received in the mailroom with volumes derived from the City's log during the 12 month period beginning July 1, 2008 through June 30, 2009, where the City processed approximately of 78,119 transactions annually with a peak of 1,745 returns in a single day and peak monthly volume of 6,510 transactions.

5.1.2 Using a +10% volume adjustment, the adjusted daily design volume of tax payment documents will be 1,920 payment transactions with an estimated 3,839 pages or 7,678 images daily. The total combined peak daily volume (including the miscellaneous tax documents, miscellaneous license documents, and water bills) is approximately 12,788 pages or 20,777 image pages.

5.1.3 The replacement of the originally configured Kodak i260 scanner with a newer Kodak s1740 scanner capable of scanning both the full-page and check size documents.

5.1.4 The majority of Sales Tax Returns will be received in the mailroom of the Finance Department. The returns along with the checks will be manually sorted and batched by the Finance Department's mailroom staff to be scanned on the new Kodak s1740 high-speed scanner.

5.1.5 Returns with payment will be pre-sorted to support the numerical stamping of both the returns and check payments automatically by the iCapture scanner application as a monetary scan-job configured for tax documents with payments.

5.1.6 The tax and license related payments cashiered at the walk-up counter via the iNovah system will be scanned at the iCapture scanner application with a special flag set. This is necessary to support the automated linkage and merging of the document to the images associated with the payment scanned by the iNovah application. System Innovators will be responsible for defining the transfer of the documents to iCapture for bulk processing at the end of the day.

5.1.7 It is our expectation that iNovah will assign a unique transaction "receipt number" (or something equivalent to it) for each sales tax and license payment processed. This will include the imprinting of the receipt number on the lower-right corner of the front page of tax form including the checks to aid in the retrieval of the images that are digitally scanned and linked to the receipt number at the walk-up counter. For cash transactions, it is further assumed that the iNovah application will automatically generate a cash receipt image in place of the check image. In the event multiple returns are paid with a single check, the single check will be automatically linked to each sales tax return with multiple receipts

numbers such that each return will be uniquely associated with a receipt number.

5.1.8 The iNovah receipt number is the common index metadata associated with each payment transaction associating it with one or more checks or a combination of payments types, for example, checks, credit card payments and cash.

5.1.9 iNovah application will be configured to transmit a daily batch of image files associated with the tax payments at the end of the day. The format and protocol of this transfer will be supplied by the City or by the vendor responsible for the system.

5.1.10 To support the prioritized cashiering functionality within iCapture, the primary workflow path will be designed and configured to support the rapid data entry of the critical payment fields (amount due, amount paid, taxpayer ID) over the data entry of the non-critical data fields that will be deferred as the secondary workflow path.

5.1.11 As part of the primary payment workflow, the amount due from each payment form will be balanced to the sum of the checks received.

5.1.12 All payments will be validated against Tax Mantra for a NSF/CreditCard/ACH" flag on the account. If found, the operator will be directed to void the entire transaction to remove it physically from the batch to process manually.

5.1.13 Upon completion of balancing, the transactions associated with each scan batch will be deposited electronically via Check21 to the Bank of America as required by the bank ICL specifications.

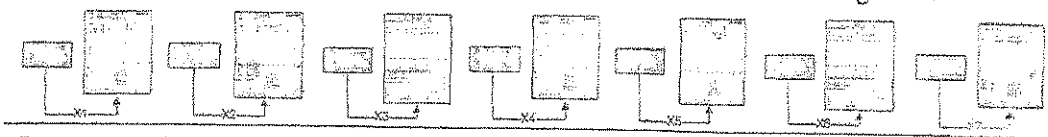
5.2 Sorting of Sales Tax Payment Forms

The mail received by the tax department is received daily and monetary documents will be manually prepared by the mailroom staff each morning for scanning. While the mail receiving and opening will remain mostly unchanged, the sorting of the return forms and payment and preparation of the scan batches will be simplified by the implementation of the following sort patterns for the creation of scanner ready tax payment batches:

- Singles
- Complex Singles
- Multiples
- Checks Only

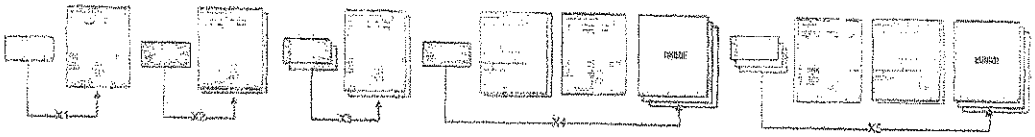
5.2.1 Singles

Straight Singles are a collection of payment transactions consisting of a single check payment followed by a single page of a payment form or stub. It is specifically designed to support the automated detection of missing items.



5.2.2 Complex Singles

A Complex Single is a monetary transaction that contains one or more check payments to a single account. The Complex Singles batch is a collection of sorted payment transactions consisting of one or more checks followed by a single payment document. Unlike Singles, the Complex Singles also allows the use of multi-paged documents as illustrated in transactions X2, X3 and X4 below. The document with the red border denotes the main payment document. The main payment document will always be associated with the single form containing the "Amount Due" field. On transactions X4 and X5 below, the yellow separator sheets were placed to indicate that the document (possibly without a barcode) was identified to be processed intact as a single document rather than to be processed as individual pages of separate documents.



5.2.3 Multiples

A Multiple is a monetary transaction that contains payments to multiple accounts. The Multiples batch is a collection of these transactions consisting of one or more checks followed by one or more payment stubs (red outline) as illustrated below. Balancing will occur by balancing the sum of all the "Amount Due" fields against the sum of all checks per each transaction. In the event an item within a transaction is identified to be void (no signature or within a transaction), the entire transaction must be voided and the transactions must be physically removed from the batch for manual processing.

5.2.4 Checks-Only

Checks Only batch is similar to a Singles batch wherein each check must be pre-assigned to a valid account. In order for the system to process this batch, every check must be manually researched to determine the license number and the other indexing information as required by the agency before scanning.

6 Municipal Billing

6.1 Assumptions

6.1.1 Remittance processing of municipal billings will be limited to the City's water bills received in the mailroom with volumes derived from the City's log during the 12 month period beginning July 1, 2008 through June 30, 2009, where the City processed approximately of 366,037 municipal water billing transactions with a peak of 4,199 bills in a single day and peak monthly volume of 30,503 transactions.

6.1.2 Using a +10% volume adjustment, the adjusted daily design volume of municipal payments will be 4,199 transactions with an estimated 8,398 pages or 12 images daily. The total combined peak daily volume (including the miscellaneous tax documents, miscellaneous license documents, and water bills) is approximately 12,788 pages or 20,777 image pages.

6.1.3 All municipal billings for iCapture will be received in the mailroom of the Finance Department. The billing stub along with the checks will be sorted by the Finance Department's mailroom staff with far less sorting rules than present to be scanned on the new Kodak s1740 high-speed scanner.

6.1.4 Bill payments will be pre-sorted to support the numerical stamping of both the payment stub and checks automatically by the iCapture scanner application via the monetary scan-job configured specifically for municipal billings.

6.1.5 Bill payments that are cashiered via the walk-up counter will not be scanned by iCapture system as the iNovah system will have already cashiered and updated the Harris/NorthStar system.

6.1.6 All payments will be validated against the Harris NorthStar system for a "NSF" flag on the account. If found, the operator will be directed to void the entire transaction to remove it physically from the batch to process manually. This further assumes one of the the following:

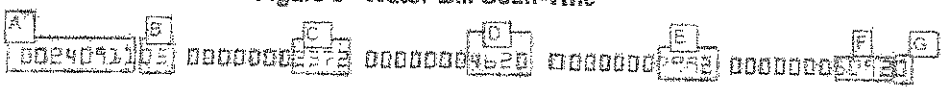
1) that Harris will provide an electronic list of bad accounts; or

2) that Harris will provide a stored procedure for iCapture to determine the bad account status given a valid account number.

6.2 Water Bill Scanline

The key information related to any given water payment is encoded on each payment stub as illustrated in Figure 1 below. The scanline is the pre-printed line of numbers in machine readable font (OCR-A) immediately above the lower edge of the payment stub also shown in Figure 2. The scanline is printed to support the automated recognition of the following numbered fields as highlighted in Figure 1 :

Figure 3 - Water Bill Scan-line



A	**Account Number:** This is an 8 digit account number field as stored in the Harris system without leading zeros.
B	**Occupancy Code:** This is 2-digit field stored in the Harris system that is used to identify and enumerate an occupant associated with a given address in the City. The Occupancy Code differentiates the occupants who move into the location (e.g. Owner 1= Account #12345678/Occupancy Code#00; Owner 2= Account #12345678/Occupancy Code#01) and ensures the payment is applied correctly.
C	**Previous Amount Due:** This is the payment amount due for the previous period.
D	**Current Amount Due:** This is the payment amount due for the current period.
E	**Total Billing Due:** This is the total amount due collectively from all periods less the donation.
F	**Total with Donation:** This is the total amount due collectively from all periods including the donation.
G	**Check Digit:** This is a check digit to validate the data read from the scan line is correct. See the algorithm for computing the check digit in the subsection below.

Account 000[redacted]-C0
Billing Cycle 002

Bill Date 03/10/10

Current Amount Due 03/29/10	87.04
TOTAL BILLING DUE	87.04
VOLUNTARY "FROM THE HEART" DONATION	1.00
TOTAL WITH DONATION	88.04

☐ Mailing address or phone number changed? Please check this box and fill in your new information on the back of this payment stub.

From The Heart

MAKE CHECKS PAYABLE TO:
City of Glendale
P.O. Box [illegible]
Glendale, AZ 85311-[illegible]

DO NOT MAIL COINS WITH PAYMENT
See Correspondence Information on Back

JO[redacted], [redacted] L
11[redacted] N 4[redacted] DR
GLENDALE AZ 8[redacted]-4[redacted]

0002994600 0000000000 0000000870 0000000870 0000000880

Figure 4 – Water Bill

6.3 Water Bill Processing

6.3.1 Current Sorting Method

The City currently sort payment based on the 10 sort categories as described in the table below.

1.	Overpayments	Any payments where the check amount is greater than all amounts on the scanline (fields C, D, E, and F as shown in Figure 1).
2.	Equal to previous amount due	Any payments where the check amount is equal to field C. The document preparation staff will typically highlight the matching field on the stub with a marker.
3.	Equal to total with donation	Any payments where the check amount is equal to field F. The document preparation staff will typically highlight the matching field on the stub with a marker.
4.	Underpayments	Any payments where the check amount is less than any amounts on fields C, D, E, and F.
5.	Equal to current amount due	Any payments where the check amount is equal to field D. The document preparation staff will typically highlight the matching field on the stub with a marker.
6.	Checks only	Stub missing.
7.	Signature & Date Exceptions	Any payments with a check missing a signature or post-dated checks.
8.	Equal to total billing due	Any payments where the check amount is equal to field E. The document preparation staff will typically highlight the matching field on the stub with a marker.
9.	Stub with multiple checks	Payment for a single account with multiple checks.
10.	Multiple stubs with one check	Payment for multiple accounts with single check.

Note: Any correspondence is normally separated from the stub/check and routed separately.

6.3.2 Change Impact

While the mail receiving and opening of the mail will remain mostly unchanged, the new method eliminates 6 sorts currently utilized by the City from and additionally eliminates the need to highlight any of the stub fields with a marker pen as follows:

Sort	Old Sort	Status	Comment s
1.	Overpayments	Eliminated	With the exception of verifying amounts greater than 10 times the amount due, the sorting of overpayment payment will be eliminated as it does not change the outcome of the deposit nor the information transmitted to the Harris/NorthStar accounting system. All overpayments will be automatically presented for verification during balancing in iCapture.
2.	Equal to previous amount due	Eliminated	The sorting of payments for the "Previous Amount Due" will be eliminated as it does not change the outcome of the deposit nor the information submitted to the Harris/NorthStar accounting system.
3.	Equal to total with donation	Eliminated	The sorting of payments for the "Total with donation" will be eliminated as it does not change the outcome of the deposit nor the information submitted to the Harris/NorthStar accounting system.
4.	Underpayments	Eliminated	The sorting of payments for the "Underpayments" will be eliminated as it does not change the outcome of the deposit nor the information submitted to the Harris/NorthStar accounting system. All underpayments will be automatically presented for verification during balancing in iCapture.
5.	Equal to current amount due	Eliminated	The sorting of payments for the "Current amount due" will be eliminated as it does not change the outcome of the deposit nor the information submitted to the Harris/NorthStar accounting system.
6.	Checks only	Same	The sorting of payments with missing stubs will continue to be separated and furthermore must be associated with a valid Account Number and Occupany Code written on the "memo" field before scanning. Note the "memo" field is located near the bottom left of the check. Note the "memo" field of the check is located near the bottom left of the check.
7.	No Signature on Check/Date Exceptions	Same	Staff will continue to examine each check for No Signature and Date Exceptions as part of the preparation for scanning process. Absence of a signature or date exception is cause for rejection and the transaction must be fully removed prior to batching for scanning and processed using existing procedures.
8.	Equal to total billing due	Eliminated	The sorting of payments for the "Total Billing Due" will be eliminated as it does not change the outcome of the deposit nor the information submitted to the Harris/NorthStar accounting system.
9.	Stub with multiple checks	Same	Payment for a single account with multiple checks will be batched as "Singles" as described in the following subsection.
10.	Multiple stubs with one check	Revised	Payment for a single account with multiple checks will be batched as "Multiples" as described in the following subsection.

6.3.3 Proposed Sorting Method

This section describes the proposed method to sort and batch water bills reducing the sorts currently utilized by the City to just four. While the mail receiving and opening will remain mostly unchanged, the sorting of the water bills and preparation of the scan batches will be greatly simplified by the implementation of the following sort categories:

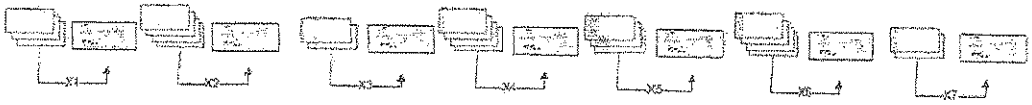
Singles	1. Complex Singles
2. Multiples	3. Checks Only

6.3.4 Singles

A Single is defined to be a transaction that associates a check payment to a single account only. The Singles batch is a collection of such payment transactions as illustrated below consisting of a single check followed by a single stub. It represents the majority of the payment transactions processed by the department and specifically designed to support the automated detection of missing items in the transaction during scanning.

6.3.5 Complex Singles

A Complex Single is defined to be a transaction that contains one or more check payments to a single account. The Complex Singles batch is a collection of sorted payment transactions consisting of one or more checks followed by single payment stub as illustrated below. Representing a superset of the singles type of batches, it also supports the processing of the standard Singles defined above.



6.3.6 Multiples

A Multiple is a monetary transaction that contains payments to multiple accounts. The Multiples batch is a collection of these transactions consisting of one or more checks followed by one or more payment stubs as illustrated below. Balancing will occur by balancing the sum of all the "Amount Due" fields against the sum of all checks per each transaction. In the event an item within a transaction is identified to be void (no signature or within a transaction), the entire transaction must be voided and the transactions must be physically removed from the batch for manual processing. We recommend that the agency use this batch specifically for rare instances of payments consisting of multiple stubs.

6.3.7 Checks Only

Checks Only batch is similar to a Singles batch wherein each check must be pre-assigned to a valid account. In order for the system to process this batch, every check must be manually researched to determine the Account Number and Occupancy Code before scanning. The operator will be presented with the field to be keyed in manually during check editing.

6.3.8 Processing Rules

During Check/Stub repair and balancing, perform the following validations:

1) During data entry, provide an option to void a transaction if the operator identifies a missing signature on a check or a post-dated check that may have been missed during sorting. The physical transaction must then be removed manually from the scanned batch.

2) Stub Correction: During data entry, allow the operator to inspect and repair any fields unrecognized or read with low confidence from the scanline of the stub.

3) Check Correction: During data entry, allow the operator to inspect and repair the courtesy amount (check amount field) unrecognized or read with low confidence.

4) Overpayment Inspection: During data entry, any transactions that contain a payment greater than ten (10) times the Total Billing amount will be automatically presented to the Operator for manual inspection and rejection if necessary.

5) Transaction Balancing: During balancing, present each transaction where the total payment amount does not match any of the four (4) amount fields on the stub, Previous, Current, Total Billing, or Total with Donation Amounts.

6) Check Digit Exceptions: In the event the check digit on a scanline is determined to be incorrect, all of the required fields associated with scanline will be presented to the operator for data correction or re-entry.

7) Mailing Address/Phone Change: If the Mailing Address/Phone Change checkbox is selected on the front of the bill, the address and phone number will be automatically processed for recognition. Any unrecognized characters or text read with low confidence results will be automatically presented to the operator for data correction and verification.

6.4 *Water Bill Check Digit Algorithm*

Using the scan-line guide and the value of the scan-line immediately below it, the checksum algorithm is implemented as follows:

0									1										2										3										4										5				
1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8	9	0	1	2	3	4
A							B		C												D											E											F										
0	0	0	3	2	2	1	9	0	0	0	0	0	0	0	0	0	6	9	4	9	0	0	0	0	0	0	2	4	0	0	8	0	0	0	0	0	0	3	0	9	5	7	0	0	0	0	0	0	3	1	3	5	7

1) Using alternating 1's and 2's weights as show below for positions 1 through 54…

2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1

2) … multiply each digit of the scan-line by the corresponding weights in step 1 to yield the following:

0	0	0	3	4	2	2	9	0	0	0	0	0	0	0	0	0	6	18	4	18	0	0	0	0	0	0	2	8	0	0	8	0	0	0	0	0	0	6	0	18	5	14	0	0	0	0	0	0	3	2	3	10	7

3) Convert the result from step 2 using modulo 10. If the result in any cell is greater than 10, then add 1 to the result as follows:

			3	4	2	2	9										6	9	4	9							2	8			8							6		9	5	5							3	2	3	1	7

4) Sum up all the values from cell positions 1 to 54 from step 3. This yields the value 107.

5) Now convert the result 107 by modulo 10 again, that is determine the remainder after dividing by 10, and this yields 7.

6) Finally determine check digit by subtracting 10 by the remainder 7 which yields the final check digit 3.

7 External Systems

7.1 Assumptions Related to Interfacing to External Systems

7.1.1 Impression will be fully responsible for defining the necessary document types and index fields to be associated with the storage of the Tax, License and Municipal Billing documents to the City's Documentum system.

7.1.2 Impression will be fully responsible for the development of the automated process to transfer the multi-paged TIFF documents to the existing Documentum system. It is expected that the City will assume responsibility related to providing the interface specification and provide the necessary support to test the Documentum interface. The City has contracted this responsibility to a 3rd party vendor, Binary Office, in support of the Documentum ApplicationXtender 5.6 product suite.

7.1.3 Impression will be fully responsible for the development of the automated process to import the scanned payment images from the existing iNovah system. It is expected that the City will assume all responsibility related to providing the complete interface specification and provide the necessary support to test the iNovah interface. The City has contracted this responsibility to a 3rd party vendor, System Innovators, in support of the iNovah product suite.

7.1.4 Impression will be fully responsible for the development of the automated process to send municipal billing transaction records to the existing Harris/Northstar system. It is expected that the protocol will remain as utilized by TMS and the format will have minor enhancements to include the Document Locator Number and Mailing Address/Phone Changes. The City will assume the responsibility in providing the interface specification and provide sample data transfer files including the necessary support to test the Harris/Northstar interface. The City has contracted this responsibility to a 3rd party vendor, Harris/NorthStar, in support of the Harris/Northstar product suite.

7.1.5 Impression will be fully responsible for the development of the automated process to export the scanned payment images to the City's bank. The City has notified the bank of its intention to implement Check21 functionality.

7.1.6 Impression will be fully responsible for the development of reconciliation reports for payment information sent to Tax Mantra, NorthStar, and the City's bank.

7.2 Output to Harris/NorthStar

Output of the water bill transaction records will be uploaded to the Harris/NorthStar system upon completion of the deposit of the batch.

7.2.1 Upon completion of iCapture balancing and deposit, batch export files will be generated automatically for each successfully deposited batch for near real-time transmission to the Harris system.

7.2.2 The files will be transferred specifically for processing by the Harris/NorthStar accounting system to a well-known network share, "Export-Harris," hosted by the iCapture server (TBD) and accessible by both iCapture and NorthStar.

7.2.3 Completed Batch Transaction files will be automatically named using the following Harris/NorthStar convention [MMDDYY]_[XXXXX] [YYYYY] where:

1) [MMDDYY] is the current date;
2) [XXXXX] is the starting batch number with leading zeros;
3) [YYYYY] is the ending batch number with leading zeros.
4) While the starting and ending batch number will always be the same for this implementation, this convention support any future options to submit multiple batch transactions in a single export file.

7.2.4 As the iCapture is required to send a batch in near real-time, upon completion of each batch deposited, the export file will be transmitted a single batch at a time. For example, batch #15 and batch #16 for Aug, 12, 2010 will be submitted as "081210_00015_00015.dat" and "081210_00016_00015.dat" respectively.

7.2.5 Batch Header 'B' Record Format—Current

There will be one Batch Header Record for each file produced.

[Rest of page intentionally blank]

Field Name Description	Length/Value	Source	Comments
Record Type	1 A	iCapture	Literal "B"
Batch Number	5 N - Right Justified. Zero Filled.	iCapture	Batch Number
Payment Type	2 N - Right Justified. Zero Filled.	iCapture	Payment Type. Entered in Batch-Level Data Entry.
Entered By	10 A - Left Justified. Blank Filled.	iCapture	Operator User Name
Processed Date	MMDDCCYY - Right Justified. Zero Filled.	iCapture	System Date
Deposit Date	MMDDCCYY - Right Justified. Zero Filled.	iCapture	Receipt Date
Stub Total	14 N - Right Justified. Zero Filled. Implied Decimal.	iCapture	Total Dollars from Stubs
Check Total	14 N – Right Justified. Zero Filled. Implied Decimal.	iCapture	Total Dollars from Checks
Number of Checks	3 N - Right Justified. Zero Filled.	iCapture	Total Number of Checks in the Batch
Number of Stubs	3 N- Right Justified. Zero Filled.	iCapture	Total Number of Stubs in the Batch

7.2.6 Detail Transaction 'D' Record Format—Current

There will be one Detail Transaction Record for each stub processed.

Field Name Description	Length/Value	Source	Comments
Record Type	1 A	iCapture	Literal "D"
Batch Number	5 N - Right Justified. Zero Filled.	iCapture	Batch Number
Sequence Number	3 N – Right Justified. Zero Filled.	iCapture	Item Sequence Number
Account Number	8 N - Right Justified. Zero Filled.	iCapture	Account Number
Occupant Code	2 N – Right Justified. Zero Filled.	iCapture	Occupant Code
Stub Amount	11 N - Right Justified. Zero Filled. Implied Decimal.	iCapture	Dollar Amount Applied to the Stub
Donation Amount	11 N - Right Justified. Zero Filled. Implied Decimal.	iCapture	Dollar Amount Applied to the Donation for the Stub
Check Number	15 N – Right Justified. Zero Filled.	iCapture	If not available, will be zeroes. Entered in Item-Level Amount Entry.
Check Amount	11 N - Right Justified. Zero Filled. Implied Decimal.	iCapture	Check Amount from the first check of the transaction.

7.2.7 Sample Output Records

```
         1         2         3         4         5         6         7
[redacted]1234567890[redacted]1234567890[redacted]1234567890[redacted]

B0000301CBARRON    0325201003252010000000007591690000000007591690700 72


D0000300100166131000000000585000000000000000000000000000
D0000300200166230000000000188260000000000000000000000000
D0000300400112009000000000194610000000000000000000000000
D0000300500113536000000000984800000000000000000000000000
D0000300700196878030000000753900000000000000000000000000
D0000300900238254010000000651600000000000000000000000000
D0000301100113225000000000966500000000000000000000000000
D0000301300035001000000000183100000000000000000000000000
D0000301500237504020000000661400000000000000000000000000
D0000301700140502000000000644700000000000000000000000000
D0000301900021643000000000579000000000000000000000000000
D0000302100127566000000000837000000000000000000000000000
D0000302300155314010000000654800000000000000000000000000
D0000302500178011010000000469300000000000000000000000000
D0000302700193310000000000878600000000000000000000000000
D0000302900233164010000000707800000000000000000000000000
D0000303100024611000000000576000000000000000000000000000
D0000303300194626010000000682700000000000000000000000000
D0000303500029344000000000769000000000000000000000000000
D0000303700123802000000000665700000000000000000000000000
D0000303900234021000000000538200000000000000000000000000
D0000304100182641000000000962200000000000000000000000000
D0000304300186040010000000486900000000000000000000000000
D0000304500018773000000000616300000000000000000000000000
D0000304700148591000000000863500000000000000000000000000
D0000304900260312000000000548500000000000000000000000000
```

8 Cost

The proposed solution will require additional software licenses over the original scope, professional services, and maintenance charge as specified in the following subsections.

8.1 Software Cost

Impression Technology has determined the minimal requirements for additional software as listed in Table 1 below totaling $26,865 with an incremental annual maintenance cost as shown in Table 2. Please note that the software license cost is limited to 500K checks annually. Additional seats for iRemitEdit data entry applications will be subject to a cost of $1,500 per seat and an additional $331 in annual maintenance fee.

Table 1 - Remittance Software Cost

Core Product	QTY	List Rate/Unit Price	Discount %*	Sell Price
iRemit Edit and Balance App	4	$ 3,900.00	-60.0%*	$ 6,240
iRemit CAR/LAR Processor (limited to 500K/year**)	1	$ 12,500.00	-60.0%*	$ 7,500
iRemit/Deposit21-Clearing Base (limited to 500K/year**)	1	$ 21,875.00	-52.0%*	$ 13,125
Total Impression Software				$ 26,865

*special one-time discount
**transactions/annually

Table 2 - Annual Software Maintenance

Remittance Annual SW Maintenance	Quantity	Rate/Unit Price
Annual Maintenance - 1st Year	1	$ 4,498
Annual Maintenance - 2nd Year	1	$ 4,498
Annual Maintenance - 3rd Year	1	$ 4,723
Annual Maintenance - 4th Year	1	$ 4,959
Annual Maintenance - 5th Year	1	$ 5,207

ⓘ This document is limited to the hardware and software cost only. Please refer to the TCS Change Order for the estimated cost of the professional services required to implement this Change Order.

8.2 Scanner Hardware Lease Cost

The monthly lease cost for a Kodak certified and refurbished 12-pocket Kodak s1740 scanner, exclusively provided by Impression Technology, is $1,975 as shown in Table 5. Please also note that any manufacturer refurbished scanners will be subject to limited availability. Alternatively, the lease cost for a new 8-pocket scanner is estimated to be approximately $2,536.

Table 3 - Optional Scanner Lease Cost

Kodak s1740 Capture System	Monthly Lease Cost
Monthly 5-Year Lease Cost of a fully configured 12 pocket s1740 Scanner (demo)	$ 1,975

8.2.1 Required Scanner Maintenance Cost

The scanner will require the purchase of a certified Kodak maintenance with one, two or three year warranties as listed in Table 5. Kodak provides standard extended warranties on all Kodak certified scanners under the same policy as new scanners. Please note that upon the expiration of the initially warranty option selected below (one, two or three year extended warranty as shown below), upon expiration of the term, Kodak will require all subsequent years of maintenance to be purchased annually thereafter via their "1 Year Post Warranty Care Kit" maintenance listed below.

All Kodak warranty service is provided directly by Kodak and the Care kit prices shown below in Table 7 are subject to change by Kodak on an annual basis.

Table 4 - Scanner Hardware Annual Maintenance

KODAK s1740 Maintenance	Catalog#	Qty	Unit List Price
Kodak S1740 12p 1 Year Post Warranty Care Kit	1844901	0	$ 13,973
Kodak S1740 12p 1 Year Extended Warranty Care Kit	1695782	1	$ 10,518
Kodak S1740 12p 2 Year Extended Warranty Care Kit	1345297	0	$ 24,542
Kodak S1740 12p 3 Year Extended Warranty Care Kit	1931419	0	$ 38,584

9 Required Legal Provisions

9.1 Immigration

9.1.1 Impression, 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.

9.1.2 Any breach of warranty under subsection 9.1.1 is considered a material breach of this CO and is subject to penalties up to and including termination of this CO.

9.1.3 City retains the legal right to inspect the papers of Impression or any subcontractor employee who performs work under this CO to ensure that Impression or any subcontractor is compliant with the warranty under subsection 9.1.1 above.

9.1.4 City may conduct random inspections, and upon request of the City, Impression shall provide copies of papers and records demonstrating

continued compliance with the warranty under subsection 9.1.1 above. Impression 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 9.1.

9.1.5 Impression agrees to incorporate into any subcontracts under this CO the same obligations imposed upon itself and expressly accrue those obligations directly to the benefit of the City. Impression also agrees to require any subcontractor to incorporate into each of its own subcontracts under this CO the same obligations above and expressly accrue those obligations to the benefit of the City.

9.1.6 Impression's warranty and obligations under this Section 9.1 to the City are continuing throughout the term of this CO 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.

9.1.7 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.

9.2 Prohibitions.

Impression 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 CO will not have, "scrutinized" business operations, as defined in the preceding statutory sections, in the countries of Sudan or Iran.

9.3 Conflicts.

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

10 Integration

Appendices A and B attached hereto are fully incorporated into this CO as if fully stated. The signatures below also operate to make fully effective the Scanner Lease Agreement outlined in Appendix B.

11 Parties/Notices

11.1 Parties

Impression:

Impression Technology, Inc. a California Corporation
1777 North California Boulevard
Walnut Creek, California 94596
Attention: Charles Hou

City:

City of Glendale, an Arizona municipal corporation
5850 West Glendale Avenue
Glendale, Arizona 85301
Attention: Susan Matousek

with a copies to: City Manager
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

11.2 Notices

11.2.1 Any notice required or otherwise given pursuant to this CO shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery as listed above.

11.2.2 All notices to City's representative must be given concurrently to City Manager and City Attorney.

11.2.3 A notice will not be deemed to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.

11.2.4 City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Impression identifying the designee(s) and their respective addresses for notices.

11.2.5 Impression 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.

11.2.6 Notwithstanding the foregoing, day-to-day communications between the Parties may be made by phone, facsimile transmission, e-mail or any other method agreed to by the Parties.

11.2.7 Either party may change such addresses from time to time by providing notice as set forth above.

IN WITNESS WHEREOF, the parties have caused this Change Order to be executed.

CITY:	IMPRESSION:
APPROVED BY	APPROVED BY
Signature	Signature
Kenneth A. Reedy	Michael Tokuyama
Print Name	Print Name
Interim Assistant City Manager	President
Title	Title
June 1, 2010	May 21, 2010
Date	Date

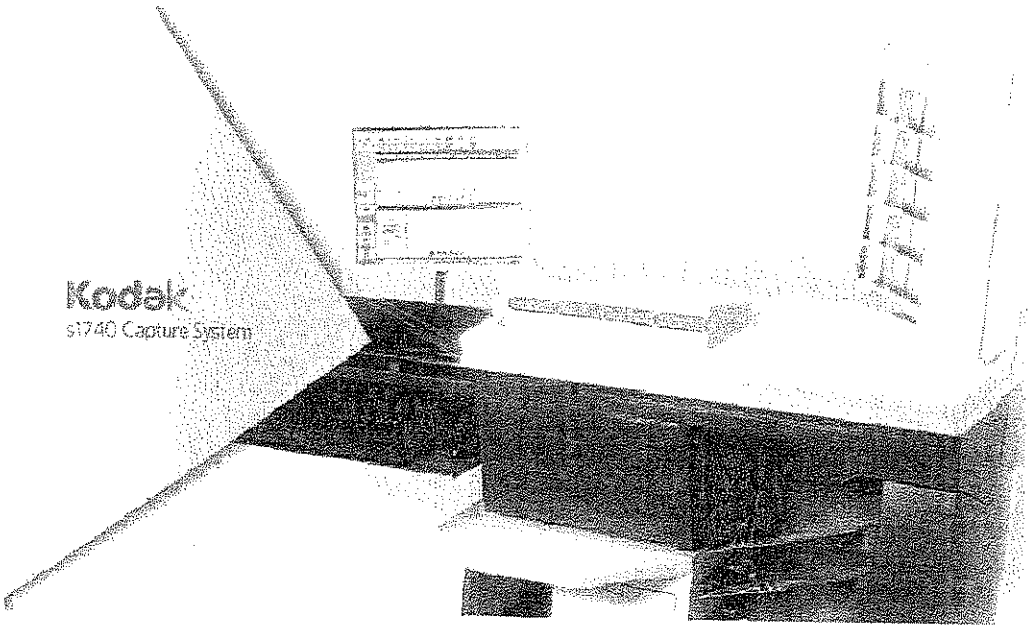
Attest:

Pamela Hanna, City Clerk (SEAL)

Approved as to form:

Craig Tindall, City Attorney

Appendix A: Kodak s1740 Scanner Subsystem



A fully integrated system to meet your business needs

It takes more than quality hardware to solve problems and provide the efficiency today's challenging business environments demand. That's why the Kodak s1740 Capture System integrates a highly capable scanner, advanced operating system software, and worldwide service and support to bring you capability, business efficiency and peace-of-mind.

Cost-cutting auto-sorting

The Kodak s1740 Capture System delivers advanced inline document separation performance, eliminating most manual pre-sorting to save employees' time.

With far less labor necessary to ensure accurate document separation, your savings will add up fast. Plus, the ease-of-use and automation deliver a great combination of low TCO (Total Cost of Ownership) and high TCB (Taking Care of Business).

Put more in—we'll sort it out

- In a single pass, Kodak s1700 Operating System Software, a powerful control program, captures the information that enables automatic post-sorting into 2, 6, 8 or 12 pockets—based on smart imaging that leverages optical character recognition (OCR), barcodes, and even MICR data.
- Whether it's a credit card slip, a check or a complex document on legal-size paper, this dependable, high-volume solution's continuous feeder can handle it with ease. Intermixed sizes? Different weights of paper? No problem.
- For document completeness, easy separation and tracking, you can—in real-time—encode MICR data on documents. With the barcode encoding option, you can imprint the same barcode (up to three barcodes in one run) on every page of a document to keep pages from the same file together.
- You can separate documents as they are scanned by a variety of attributes (size, shape and more) or content (barcode, MICR, format or OCR). You can even sort by logos or other graphic elements.

Flexible output, too

- For electronic distribution or archiving, you can define tags (XML) to facilitate the sharing of data and choose the image format (JPEG or TIFF) that best meets your specific application needs.
- You can easily specify up to six different images (color, grayscale and bitonal; both front and back) from just one pass.
- You'll have instant access to a wide range of statistical information on the documents processed—just what you need to make the best decisions.

Experience counts

When you choose the Kodak s1740 Capture System to enable new scanning productivity, you're selecting a solution from a company that's been a global leader in document imaging for almost 80 years. We offer the experience, expertise and commitment to enable smooth, one-vendor integration.

Kodak Service & Support

Our team of service experts is here for you around the clock and around the world—just what you need to ensure peace of mind. Choose from a variety of service plans and enjoy maximum uptime and real convenience.

s1740 Capture System

Operating Software	Kodak [illegible] operating system software for intelligent capture, real-time interpretation and efficient management of information
Inline Document Separation	Available in 2-, 6-, 8- and 12-pocket configurations
Imprinting/Endorsing/Encoding	Optional front post-scan and rear post-scan (front side imprinting is in E13B fonts only, rear side is endorsing only)
Scanning Technology	Scans both front and back sides of documents Dual Trilinear CCD: Grayscale output bit depth is 256 levels (8-bit); Color capture bit depth is 40-bit (10 bits per red, green, blue and black channels); Color output bit depth is 24-bit
Character Reading (some optional)	Optical: Single-line OCR-A, OCR-B or E13B 2 read-windows, selectable by software; Read direction: horizontal and vertical, selectable Supported barcodes: Code 3 of 9 (Code 39); Code 2 of 5 interleaved, non-interleaved, with IATA, industrial, MATRIX, DATALOGIC; Code 128, EAN 8, EAN 8 with AddOn, EAN13, EAN13 with AddOn
On-Board Imaging Features	Automatic, aggressive crop, deskew, image orientation, electronic color dropout (dual stream scanning), half tone removal, noise removal, zone processing, automatic color detection
Illumination	Dual fluorescent lamps per side
Optical Resolution	300 dpi for color images; 240 dpi for grayscale images
Output Resolution	Black and white: 200/240/300 dpi; Color/grayscale: 100/120/150/200/240/300 dpi
Recommended Daily Volume	Unlimited
Throughput Speeds (200 dpi, letter-size/A4 documents)	Up to 110 ppm/220 ipm (Throughput speeds may vary depending on your choice of driver, application software, operating system and PC.)
Feeder	Continuous feeder with input capacity 1400-sheet capacity
Paper Thickness and Weight	Check sized documents: 70 g/m² (14.3 lbs./sq. ft.) to 110 g/m² (22.5 lbs./sq. ft.) Full page documents: 60 g/m² (12.3 lbs./sq. ft.) to 130 g/m² (26.6 lbs./sq. ft.)
Maximum Document Size	210 mm x 330 mm (8.5 in. x 14 in.)
Minimum Document Size	70 mm x 125 mm (2.75 in. x 4.9 in.)
Multi-Feed Detection	Optical and ultrasonic double-feed checks at intake point prevents multiple feeds. Additional security is provided by various sensors along paper path, which monitor document transport and detect double feeds.
Connectivity	SCSI-2 Interface
On-Board Compression	CCITT Group III, G4, JPEG or uncompressed output
File Format Outputs	JPEG (for color and grayscale images); TIFF (for black and white images)
Electrical Requirements	120-240 VAC, 50-60 Hz, 2-4 A
Power Consumption	Idle: 220 Watts; Running: 480 Watts
Environmental Factors	Lead-free; Operating temperature: 10°-32° C (75°F-90°F); Relative humidity: 40 to 60 percent, relative non-condensing
Acoustical Noise	In operation (closed cover) of 50 dB(A)
Minimum PC Configuration	Pentium 4 2.0 GHz processor with 512 MB RAM
Supported Operating Systems	Windows 2000, Windows XP SP2
Regulatory and Product Certification	CE, TÜV, GS, UL 1950
Consumables Available	Ink Cartridge for Multi Line Endorser (for MLE); Felt Blotter for used ink (for MLE); Ribbon Cartridge MICR (CMC-7 and E13B fonts); Feeder Belt separator upper side; Feeder Belt separator lower side; Feeder Wheel diameter 100 mm, small version
Accessories	Codeline recognition for E13B fonts; Multi Line Endorser; Encoder for E13B fonts; Enhanced Sorting Module; Barcode Feeder Module
Dimensions	With 2 or 6 pockets: Weight: 232 kg (511.3 lbs.); Depth: 635 mm (25.0 in.); Width: 1675 mm (65.9 in.); Height: 1320 mm (52.0 in.) With 8 pockets: Weight: 232 kg (511.3 lbs.); Depth: 635 mm (25.0 in.); Width: 1675 mm (65.9 in.); Height: 1803 mm (71.0 in.) With 12 pockets: Weight: 250 kg (535.5 lbs.); Depth: 635 mm (25.0 in.); Width: 1675 mm (65.9 in.); Height: 1803 mm (71.0 in.)

To learn more:
www.kodak.com/go/s1740
Printed using Kodak technologies.

Eastman Kodak Company
343 State Street, Rochester, NY 14650
1-800-944-6101

Kodak Canada, Inc.
Toronto, Ontario M6M 1V3
1-800-465-6325

Kodak GmbH
Hedelfingerstr 60
70327 Stuttgart, Germany
EAMER-Di-Capture@kodak.com

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Specifications are subject to change without notice.

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Innovation you can count on.

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Kodak (Hong Kong) Limited
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852-2564-9330

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Taibei +8862 2950 0836 ext. 753

Kodak *trusted support*

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81-3-5540-2270
jp-dl-mktg@kodak.com

Kodak de Mexico
Mariano Otero 408
Guadalajara, Mexico
(33) (38) 3618-6998

Kodak

Appendix B: Scanner Lease Agreement

The Parties agree as follows:

1. **EQUIPMENT**: Impression hereby leases to City the following equipment:
One (1) Kodak s1740 Capture Systems configured with 12 pockets, Multi-Line Endorser, Codeline Recognition for E138B fonts and Barcode Reader Module ("Equipment").

2. **LEASE TERM:** The term of this lease shall be 60 months and the lease will start on June 1, 2010 and will end with the last lease payment on May 1, 2015.

3. **LEASE PAYMENTS**: City agrees to pay Impression as rent for the Equipment the amount of $1,975.00 ("Rent") each month in advance on the first day of each month at the following address or at any other address designated by Impression:

Impression Technology, Inc.
Attention: Charles Hou,
1777 North California Boulevard
Suite 240
Walnut Creek, California 94596

If the lease term does not start on the first day of the month or end on the last day of a month, the rent will be prorated accordingly.

4. **LATE CHARGES:** If any amount under this Agreement is more than forty-five (45) days late, City agrees to pay a late fee of one percent (1%) of the monthly payment due for the subject period.

5. **DELIVERY**: City shall be responsible for all actual expenses and costs associated with the delivery and installation of the Equipment at the City's designated site. At least thirty (30) days prior to the delivery of the Equipment, Impression shall provide the City written specifications regarding the space, power, networking and other facility requirements associated with the installation and operation of the designated Equipment. The City shall be responsible for the preparation of the site in accordance with these specifications and all costs associated with site preparation.

6. **DEFAULTS:** If City fails to perform or fulfill any obligation under this Agreement, City shall be in default of this Agreement. Subject to any statute, ordinance or law to the contrary, City shall have seven (7) days from the date of notice of default by Impression to cure the default. In the event City does not cure a default, Impression may at Impression's option (a) cure such default and the cost of such action may be added to City's financial obligations under this Agreement; or (b) declare City in default of the Agreement. If City shall become insolvent, cease to do business as a going concern or if a petition has been filed by or against City under the Bankruptcy Act or similar federal or state statute, Impression may immediately declare City in default of this Agreement. In the event of default, Impression may, as permitted by law, re-take possession of the Equipment. Impression may, at its option, hold City liable for any difference between the rent that would have been payable under this Agreement during the balance of the unexpired term and any rent paid by any successor to City if the Equipment is re-let minus the cost and expenses of such re-letting. In the event Impression is unable to re-let the Equipment during any remaining

term of this Agreement, after default by City, Impression may at its option hold City liable for the balance of the unpaid rent under this Agreement as if this Agreement had continued in force.

7. POSSESSION AND SURRENDER OF EQUIPMENT: City shall be entitled to possession of the Equipment on the first day of the lease term. Unless this lease specifies the terms and condition for full ownership by the City at the expiration of the lease term (see paragraph 25), the City shall surrender the Equipment to Impression by delivering the Equipment at the City's site of installation to Impression or Impression's agent in good condition and working order, ordinary wear and tear excepted, as it was at the commencement of the Agreement. In the event the Equipment is surrendered to Impression at the end of the lease period as provided for herein, Impression shall be responsible for the de-installation of the Equipment and its removal from the City's site.

8. USE OF EQUIPMENT: City shall only use the Equipment in a careful and proper manner and in accordance with the operating and maintenance manuals provided by Impression. Impression shall provide the City training (included within the price of the Lease) on the use and routine maintenance associated with the operation of the equipment and Impression agrees to maintain the equipment in accordance with the documentation provided by Impression at the time of delivery and subsequent user training.

9. CONDITION OF EQUIPMENT AND REPAIR: City or City's agent will, at the time of delivery, inspect the Equipment and acknowledge that the Equipment is in good and absent of shipping damage or other visible defects. In the event any damage or defects are noted, City shall immediately inform Impression of the nature of the damage or defect and take no further action unless directed in writing by Impression.

10. MAINTENANCE: City will, at City's sole expense, maintain a maintenance support agreement with the Original Equipment Manufacturer (OEM) throughout the term of this lease. The monthly costs of this OEM maintenance and support are quoted separately within this Agreement and these monthly costs shall be paid directly to Impression who will then be responsible for the maintenance contract with the OEM.

11. LOSS AND DAMAGE: City shall be responsible for the risk of loss or damage to the Equipment for whatever reason during the term of the lease (excepting acts or omissions of Impression attributable to the loss or damage). No loss or damage to the Equipment or any part thereof shall impair any obligations of the City under the terms of this Agreement. In the event of loss or damage to the Equipment of any kind, City, at Impression's sole option may:

a) Place the Equipment in good repair, condition and working order by contracting with the OEM for such repairs.
b) Replace the Equipment via a direct purchase with the OEM
c) Pay Impression the balance of payments due for the term of the lease.

12. INSURANCE: City shall be responsible to maintain all risk insurance against loss of and damage to the Equipment for not less than the full replacement value of the equipment, naming Impression as loss payee. City agrees to provide, if requested, a certificate of insurance or other evidence of such insurance.

13. ENCUMBRANCES, TAXES AND OTHER LAWS: City shall keep the Equipment free and clear of any liens or other encumbrances, and shall not permit any act where Impression's title or rights may be negatively affected. City shall be responsible for complying with and

conforming to all laws and regulations relating to the possession, use or maintenance of the Equipment. Furthermore, City shall promptly pay all taxes, fees, licenses and governmental charges, together with any penalties or interest thereon, relating to the possession, use or maintenance of the Equipment.

14. IMPRESSION REPRESENTATIONS: Impression represents and warrants that it has the right to lease the Equipment as provided in this Agreement and that City shall be entitled to operate and possess the Equipment, and Impression will not interfere with that right as long as City pays the monthly lease payments in a timely manner and performs all other obligations under this Agreement.

15. TITLE AND OWNERSHIP: Title and ownership of the Equipment is held by, and shall remain exclusively with, Impression until the end of the lease term at which time title and ownership may transfer upon the payment of $1 by the City.

16. SEVERABILITY: If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

17. ASSIGNMENT: Neither this Agreement nor City's rights hereunder are assignable except with Impression's prior, written consent.

18. BINDING EFFECT: The covenants and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.

19. GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

20. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both Impression and City.

21. CUMULATIVE RIGHTS: Impression's and City's rights under this Agreement are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.

22. WAIVER: The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of rent by Impression does not waive Impression's right to enforce any provisions of this Agreement.

23. INDEMNIFICATION: Except for damages, claims or losses due to Impression's acts or negligence, City, to the extent permitted by law, will indemnify and hold Impression and Impression's property, free and harmless from any liability for losses, claims, injury to or death of any person, including City, or for damage to property arising from City using and possessing the

Equipment or from the acts or omissions of any person or persons, including City, using or possessing the Equipment with City's express or implied consent.

24. ADDITIONAL TERMS & CONDITIONS: The lease quotation associated with this Agreement is based on the City purchasing the Equipment at the end of the Lease Term for $1.

[End of Appendix B]

C-7132
08/11/2009

iCapture™

Support Services Agreement

Revision 4.0
May 21, 2008

Impression Technology, Inc.
1777 North California Blvd, Suite 240
Walnut Creek, CA 94596

925.280.0010 / 925.280.0092 Office/Fax
www.Impression-technology.com

IMPRESSION TECHNOLOGY
SUPPORT SERVICES AGREEMENT

This SUPPORT SERVICES AGREEMENT (the "Agreement") is entered into and effective as of the _____ day of _____, 2009 (the "Effective Date"), by and between Impression Technology, a California corporation with its principal office located at 1777 N. California Boulevard, Suite 240, Walnut Creek, California 94596 ("IMPRESSION"), and the City of Glendale, an Arizona municipal corporation with offices located at 5850 W. Glendale Avenue, Glendale, Arizona 85301 ("Customer"). Impression Technology and Customer shall be known collectively as the "Parties."

Recitals

A. Whereas, Customer utilizes a computer system which includes certain IMPRESSION software as defined herein, and certain covered hardware as identified in this Agreement.

B. Whereas, Customer desires to obtain certain software maintenance support services offered by IMPRESSION as set forth in this Agreement.

WHEREFORE, the parties hereto agree as follows:

AGREEMENT

1. **Definitions.** For the purposes of this Agreement, the following terms shall have the meanings set forth herein or elsewhere in the provisions hereof:

   1.1 "**Confirmed Software Errors**" shall mean actual coding errors, failure of software to substantially perform program functions specified in the applicable User Manuals, or errors in the Documentation, any of which are determined by IMPRESSION, in its reasonable discretion, to exist, which error must be repeatable on the customer's system and at IMPRESSION's offices.

   1.2 "**Delivery**" shall mean physical delivery of substantially all equipment and/or software media to Customer's premises. Delivery does not imply implementation or acceptance of the program sold under this Agreement.

   1.3 "**Documentation**" shall mean any and all written or published manual and specifications, instructions or other writings related to equipment and/or software and services hereunder. Documentation does not include program or source code listings.

   1.4 "**Third-Party Software**" means software packages owned by persons or entities other than IMPRESSION.

   1.5 "**Updates**" shall mean revisions to the IMPRESSION software. Updates shall not include new programs or modules marketed separately from the IMPRESSION software. Any and all software Updates provided to Customer shall be deemed IMPRESSION software as defined herein.

   1.6 "**User Manual**" shall mean that subset of Documentation that contains user instructions for operation of a software program, set of software programs or system hereunder.

   1.7 "**iCapture**" shall mean and referred to the software product designed to automate the data entry of hand-printed information from a variety of forms.

   1.8 "**IMPRESSION software**" shall mean iCapture software product.

2. **Term and Termination.** The term of this Agreement shall commence on the effective date specified in Schedule A, attached hereto and incorporated herein by this reference, and shall expire one (1) year thereafter. The maintenance support fees specified in Schedule A to this Agreement shall only apply during the term of this Agreement, and thereafter such fees shall be subject to change in accordance with IMPRESSION's then-applicable standard maintenance support fee schedule.

3. **Fees.** The fee to be paid by Customer to IMPRESSION for the initial term of this Agreement, and the terms for payment of such fee, are specified in Schedule A attached hereto. Payment of said fee(s) is a condition precedent to IMPRESSION's obligations under this Agreement. These fees do not include travel, food lodging and labor expenses incurred by IMPRESSION for support services provided at Customer's site. Customer shall pay such expenses. Customer shall pay or reimburse IMPRESSION for any sales or use taxes payable in connection with this Agreement, and shall indemnify, defend and hold IMPRESSION harmless therefrom.

4. **Scope of the Agreement.** During the term of this Agreement, as set forth in Schedule A attached hereto, and provided that IMPRESSION's maintenance support fees are current and paid in accordance with the terms of this Agreement, as set forth in Schedule A, IMPRESSION agrees to provide Customer with maintenance support of the IMPRESSION software and covered Hardware, as follows:

   4.1 **Telephone Support.** IMPRESSION shall provide support from 08:00 to 18:00 hours, Pacific Standard Time, Monday through Friday, excluding national holidays. If a support person is not immediately available, one will be assigned and a call back initiated within the timeframes outlined in Schedule A for the Maintenance Level selected by the Customer. Customer shall insure that only personnel trained in operation and use of the IMPRESSION software will contact IMPRESSION for this telephone support.

   4.2 **Software Error Correction.** Customer shall report software errors encountered by telephone, e-mail or directly through our support web site which describes the error, the circumstances under which the error occurred and the severity level of the error or incident. Software errors reported by the Customer shall be promptly investigated by IMPRESSION and, if found to be Confirmed Software Errors, shall be corrected within a reasonable time, depending upon the consequences of the error.

   4.3 **Errors Caused by Negligence of Customer or Change of Programming Scope by Customer.** In the event that an error is deemed to be caused by the negligent operations of Customer, or if Customer requests a change or enhancement to the programming to be performed by IMPRESSION which is not in the original contract for services to be performed by IMPRESSION, and such changes are determined to cause errors, or such Customer later determines that the changes or enhancements are not what Customer desires, such error, or resolution to such error, shall not be covered by this Agreement, and IMPRESSION will not be responsible to provide support under the terms of this Agreement.

   4.4 **Software Updates.** From time to time, IMPRESSION will develop Updates to the IMPRESSION software, i.e. 2.1, 2.2, and 2.x, however new major version releases (X.0) will not be covered under this Agreement. When, and if such Updates are developed, such Updates will be released and delivered to Customer via CDROM or electronically. Any and all software Updates provided to Customer shall be subject to the same terms and conditions of this Agreement and shall be deemed IMPRESSION software hereunder. If application subscription fees have been paid, IMPRESSION shall be responsible for providing Third Party software upgrades that have been integrated into iCapture such as scanner drivers, ICR/OCR engine, image processing tools, etc. "Integrated" shall mean IMPRESSION has written software to interface with the Third Party software through well-known Application Program Interfaces (API). The Customer shall be responsible for the costs of all native system software which will include, but not limited to "shrink-wrapped" software such as the operating system, database software, and system utilities (i.e. Window NT 2000 to XP upgrade; or MS SQL server upgrades). It is required that IMPRESSION approves an upgrade in advance before it is conducted to the system.

4.5 **On-site Support at Customer's Location**. Except for on-site support which IMPRESSION deems to be required to correct Confirmed Software Errors, or support which IMPRESSION otherwise elects to conduct on-site, all travel expenses and labor cost incurred by IMPRESSION for on-site support requested by Customer shall be reimbursed to IMPRESSION at the actual costs for travel expenses plus labor charges at the rates specified in Schedule A.

4.6 **Obligations**. IMPRESSION's obligations under this Agreement DO NOT include the following:

(a) Problems caused by modification of the IMPRESSION software by Customer or any third party. (Nothing herein shall be deemed to authorize the creation of such modifications.)

(b) Problems caused by the IMPRESSION software not being used in accordance with the Documentation.

(c) Problems caused by the IMPRESSION software being interfaced with software not indicated as compatible in the Documentation.

(d) Problems caused by malfunctions of Equipment, or Third-Party Software, which does not meet the configuration or other requirements specified by IMPRESSION.

(e) Problems caused by environmental factors such as unstable electrical power.

5. **Customer Responsibilities**. During the term of this Agreement, and any extensions or renewal thereof, Customer shall:

5.1 Provide a supervisor, a technical support person, and operators to be trained by IMPRESSION in operation and support of the IMPRESSION software.

5.2 If necessary, Customer shall provide replacement personnel and make those personnel available for training. The training of replacement personnel shall be at Customer's expense either by IMPRESSION at IMPRESSION's then current rates for training, or by qualified third parties.

5.3 Maintain backup copies of software on all workstations and servers which contain IMPRESSION software or support the operation of the computer system.

5.4 Exercise reasonable care in handling of computer system's equipment and maintain reasonable cleanliness in accordance with systems Documentation.

6. **Limitations on IMPRESSION'S Liability**. IMPRESSION'S liability for damages from any cause of action whatsoever relating to IMPRESSION's agreement to provide support services shall be limited to the amount paid or payable by Customer for the Support Services for the applicable year. This limitation shall not apply to IMPRESSION's liability for damages arising from bodily injury, including death, damage to or loss of tangible personal property, or infringement of intellectual property rights.

7. **Indemnification of Customer**. IMPRESSION shall indemnify and hold Customer harmless from and against any claim of copyright infringement based upon the IMPRESSION software, provided Customer gives IMPRESSION prompt written notice of and the opportunity to defend any such claim.

8. **Assignments**. Neither this Agreement, nor any of the rights or obligations hereunder, may be assigned by Customer without the prior written consent of IMPRESSION, or by IMPRESSION without the prior written consent of Customer. Subject to the foregoing, this Agreement shall be binding upon, and inure to, the benefit of the parties hereto and their respective successors and assigns, and no other person shall have any right, benefit or obligation hereunder.

9. **Entire Agreement, Amendments and Waivers**. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the parties with respect thereto. No supplement, amendment, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver, unless otherwise expressly provided.

10. **Waiver.** The waiver or failure of either party to exercise in any respect any right provided for in this Agreement shall not be deemed a waiver of any further or future right hereunder.

11. **Severability.** If any term, provision, condition or covenant of the Agreement is held to be invalid, void or unenforceable under any applicable statute or rule of law, the rest of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

12. **Governing Law.** The validity, interpretation, and performance of this Agreement shall be controlled and construed under the laws of the State of Arizona.

13. **Dispute Resolution.**

13.1 Commitment. The Parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.

13.2 Application. The provisions of this section 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.

13.3 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.

13.4 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.

14. **Arbitration.**

14.1 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 Parties may agree, in writing, that the Dispute will be decided by binding arbitration in accordance with Commercial 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, Phoenix, Arizona, 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 10 years experience with commercial transactions 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.

14.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten 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.

14.3 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.

14.4 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.

14.5 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.

14.6 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.

15. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, IMPRESSION must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and Customer will continue to make payment to IMPRESSION in accordance with this Agreement.

16. **Dispute Exceptions.**

16.1 Third Party Claims. Customer and IMPRESSION 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 Customer and IMPRESSION.

16.2 Liens. Customer or IMPRESSION 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 section.

17. **Immigration Law Compliance.**

17.1. IMPRESSION, 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

17.2. Any breach of warranty under subsection 17.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.

17.3 Customer retains the legal right to inspect the papers of IMPRESSION or subcontractor employee who performs work under this Agreement to ensure that IMPRESSION or any subcontractor is compliant with the warranty under subsection 17.1 above.

17.4 Customer may conduct random inspections, and upon request of the Customer, IMPRESSION shall provide copies of papers and records demonstrating continued compliance with the warranty under subsection 17.1 above. IMPRESSION 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.

17.5 IMIPRESSION 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 the Customer. IMPRESSION 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 Customer.

17.6 IMPRESSION'S warranty and obligations under this Section 17 to the Customer is continuing throughout the term of this Agreement or until such time as the Customer determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.

17.7. 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.

18. **Foreign Prohibitions.** IMPRESSION, and on behalf of any subcontractor, certifies, to the extent applicable under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.*, that neither has "scrutinized" business operations, as defined in the preceding statutory sections, in the countries of Sudan or Iran.

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

20. **Force Majeure.** IMPRESSION shall not be responsible for a failure to fulfill its obligations hereunder as a result of natural disaster, war, riot or insurrection, strikes, or other causes beyond its control.

21. **General.** This Agreement shall be interpreted and governed by the laws of the State of Arizona. The waiver or failure of either party to exercise in any respect any right provided for in the Agreement shall not be deemed a waiver of any further or future right hereunder. This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto. However, nothing in this paragraph shall be construed as consent to any assignment of this Agreement.

22. **Counterparts.** This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original thereof.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date last set forth opposite the names below.

IMPRESSION:

IMPRESSION TECHNOLOGY, INC.,
a California corporation,

Dated: 11/19/09

Signature

MICHAEL TOKUYAMA
Name (Print):

PRESIDENT
Title

CUSTOMER:

CITY OF GLENDALE,
an Arizona municipal corporation,

Dated: 12/03/09

Pam Kavanagh for
Ed Beasley, City Manager

ATTEST:

Pam Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

Craig Tindall, City Attorney

Schedule A

Term, Rates, Fees and Payment Terms

1. Effective Dates of Agreement: _____ TO _____

2. Maintenance Level of Support Selected:

   On-Line: X On-Call:_____ On-Site:_____

3. Support Access:

On-Line Access Method	
Telephone	925-280-0009 during standard PPM excluding national holidays.
E-mail	support@Impression-technology.com
World Wide Web	http://www.Impression-technology.com and select the support button

4. Tiered Maintenance Levels and Fee Schedule:

   Fee is based on the Service Level selected and customer's specific parameters such as customer location(s), hours of coverage desired, system configuration and projected on-site support needs, if any.

   - The "baseline" price for annual Support is in accordance with the Software License Agreement. This cost will be paid by the customer regardless of the Service Level selected. Standard annual cost adjustment is five (5) percent annually.
   - Standard hourly support services rates is $176.00 per hour. This support shall be handled by IMPRESSION's Customer Service Representative and Field Service Engineers.
   - Customers who elect On-Line support will pay any customer requested on-site costs incurred and would be billed in accordance with Impression's standard support rates in effect, including reimbursement for all actual expenses incurred.
   - Customers who elect On-Call support will pay an additional annual fee of ($N/A) for a pre-determined number/duration of on-site visits for maintenance and/or peak processing as stated in this Support Services Agreement.
   - Customers who elect On-Site support will be responsible for the full cost of the salary, benefits, travel and living expenses of the engineer while resident on-site. These costs are established as follows: N/A

     _____

     _____

Support Features	*Standard On-Line Service*	*On-Call Service*	*On-Site Service*
On-Line Support Request	Unlimited	Unlimited	Unlimited
Problem Resolution Time	4-hour response time.	4-hour response time.	N/A
Severity Level 2 or 3 Response	All Severity Level 2 or 3 problems are addressed via remote support and diagnostics during IMPRESSION's normal PPM, subject to the escalation process.	Same as On-Line Service, but a customer may, at its discretion, request that a support engineer be dispatched to the site to continue work locally. The cost of this on-site support for a Level 2 or 3 problems will be in accordance with the Maintenance Agreement in effect between IMPRESSION and the customer.	Immediate on-site support in accordance with the Maintenance Agreement in effect between IMPRESSION and the customer.
Severity Level 1 Response	IMPRESSION will immediately commence remote support, including dial-in diagnostics and support if available, to correct the identified problem and return the system to operation via a fix, or a work-around. IMPRESSION will continue its best efforts to return the system to operation for at least one complete PPM prior to requesting authorization from the customer to dispatch a support engineer to the site.	If the system cannot be returned to operation after four hours during PPM, IMPRESSION will dispatch a support engineer to the site on the next available flight, or fastest means possible.	Immediate on-site support in accordance with the Maintenance Agreement in effect between IMPRESSION and the customer.
On-Site Support Cost	Per request based on standard T&M Rates.	Per request based on discounted cost of pre-negotiated number of on-site visits per year.	N/A
On-Site Response Time	Level 1 – Report plus 1 business day. Level 2 – Report plus 72 hours (three business days).	Level 1 – 4 Hours, then next available flight out. Level 2 – Report plus 24 hours (1 business day).	N/A
Automatic Escalation From Severity 3 To 2	3 Business Day (72 hours)	1 Business Day (24 hours)	1 Business Day (24 hours)
Automatic Escalation From Severity 2 To 1	3 Business Day (72 hours)	1 Business Day (24 hours)	1 Business Day (24 hours)
Software Fixes	Yes	Yes	Yes
Software Upgrades	Yes	Yes	Yes

5. Principle Period of Maintenance:

While online support request can be placed 24 hours a day and 7-days per week, all responses will be processed and measured during the PPM in effect for the customer. For our standard On-Line Service offering, this is specified as listed in the table below. If the service request occurred outside the PPM, the service request time will be adjusted to commence at the next earliest coverage period as specified. For example, if a support request is placed at 20:00 (8:00 p.m.) with a 4-hour response time, a support response from IMPRESSION is not required until the following business day at noon. Or if the service request is initiated during PPM but adequate time is not available to fully resolve the problem, the required response will be carried to the next PPM. For example a support request initiated at 17:00 (5:00 p.m.) would require a response no later than 11:00a.m., the following business day. Exceptions to these limitations will be handled at the discretion of the support engineer.

Service Level	*Time (Mon – Fri)*	*Time Zone*
On-Line Service	08:00 - 18:00	Pacific Standard Time
On-Call Service	08:00 - 18:00	Pacific Standard Time
On-Site Service	Customer Business Hours	Customer's Local Time Zone

All IMPRESSION Support Service Level plans feature fast response to a reported problem. Customers who submit incident reports via web or telephone during normal business hours, or PPM as described above, will receive a response from the support staff within four hours. This response will consist of a incident report from our On-Line Help Desk for the customer's review. Included in the initial response will be:

I. A brief description of the incident---this will be primarily comprised of the information provided by the customer, plus any additional information that can be learned within the first fours hours of receiving the report.

II. **Severity Assignment:** IMPRESSION will assign a Severity Level to each incident report that is received. This will consist of one of the following:

Severity Levels	*Description*
Severity 1	The problem is either stopping or severely limiting production operations, and no work-around is available.
Severity 2	The problem is either stopping or severely limiting production operations, but a work-around is available.
Severity 3	The problem is adversely affecting production operations.
Bug	A software problem that does not fall into the categories Severity 1, 2, or 3 as described above. All reported "bugs" to the IMPRESSION software will be added to the iCapture "bug list."
Recommendation	A request for a new feature. All customer initiated Recommendations are added to the iCapture requested features list that is maintained by IMPRESSION. This information is used by the development staff in determining the scope and content of iCapture upgrades and new releases.

IMPRESSION will designate the support engineer responsible for investigating the incident and maintaining communications with the customer on the status of the specific request. Incident reports that are logged outside of the standard working hours via the web that are classified as Severity 1 or 2 will result in a call back from the on-call field service engineer within this same two hour period. The written report from IMPRESSION will be provided to the customer within the first four hours of the next IMPRESSION PPM.

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO PURCHASE A FIRE PUMPER FROM HOUSTON-GALVESTON AREA COUNCIL WITH GRANT FUNDS RECEIVED FROM THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY**
Staff Contact:	**Mark Burdick, Fire Chief**

Purpose and Recommended Action

This is a request for City Council to authorize the purchase of a new Fire Pumper from Houston-Galveston Area Council (HGAC) in the amount of $484,206.92.

Background

Under the tribal-state gaming compact, Proposition 202, the Salt River Pima-Maricopa Indian Community (SRPMIC) chose to contribute $425,000 to the Glendale Fire Department for the purchase of a fire truck. On November 26, 2013, the City Council approved the acceptance of the grant funds.

The Fire Department Apparatus Committee reviewed quotes from three different manufacturers, available on the HGAC contract, and has found a standardized "Program" truck that meets or exceeds all specifications for performance and service delivery.

The cost of the Fire Department fleet is becoming very expensive to operate due to its age. By putting a new truck in front line service, the department can reduce by a factor of two the need for a reserve truck to cover while in for repairs.

Analysis

The purchase of the new fire truck from E-One includes a full five year warranty on all engine, transmission, pump, tank, and body of the truck, and will increase the availability and reliability of this unit for emergency response by not requiring repairs as often. This will also remove the expense of maintaining two reserve pumpers from an old fleet in the department's annual shop and fuel budget. The estimated proceeds from the sale of the two reserve pumpers, along with one reserve ladder tender, are $59,500. The ladder tender is no longer part of the Fire Department fleet rotation.

HGAC has given an estimate of 300 days for delivery from receipt of the purchase order.

The Fire Department staff worked with Materials Management and followed the proper procurement process. The Notice of Intent to Award went to HGAC, utilizing the Interstate Interlocal Contract for Cooperative Purchasing.

Staff recommends Council approve this request to use the grant funds from SRPMIC to purchase new fire truck through the HGAC contract.

Previous Related Council Action

On November 26, 2013, Council approved the acceptance of grant funds from the Salt River Pima-Maricopa Indian Community (SRPMIC) in the amount of $425,000 for the purchase of a new fire truck.

Community Benefit/Public Involvement

New apparatus is a benefit to the community and the firefighters that use and depend on them by putting a safer and more reliable truck on the road. Changes in technology, such as the 360 degree camera system exterior view, is an added level of collision avoidance not available on apparatus before now. Changes in the available engine configuration will achieve a 50% increase in fuel efficiency, which is cost effective for the citizens.

Budget and Financial Impacts

The total cost of the new fire truck is $484,206.92, including sales tax. With the grant funds of $425,000 and the estimated proceeds from the sale of the two reserve pumpers and one reserve ladder tender, the cost of the new fire truck will be covered.

Attachments

None

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION OF A CONTINGENCY TRANSFER TO THE FIRE DEPARTMENT**
Staff Contact:	**Mark Burdick, Fire Chief**

Purpose and Recommended Action

This is a request seeking City Council approval for a budget appropriation transfer from General Fund, Contingency, Contingency (1000-11901-510200) to General Fund, Fire Operations, Overtime Pay (1000-12422-500600) in the amount of $508,230. This is the first budget transfer request to address the estimated Fire Department budget deficit as presented to Council on November 19, 2013.

Background

At the November 19, 2013 City Council Workshop, Fire Chief Mark Burdick presented an analysis of the Fiscal Year (FY) 2013-14 Fire Department, General Fund budget. At this presentation, the budget expenses projected to cause the department to be overspent were as follows:

- Constant Staffing – (average overtime per month is approximately $54,144 per pay period). We were budgeted $846,636 for FY 2013-14 and require $1,407,751, as expended in FY 2012-13, for a gap of $561,115. We expect to deplete our overtime funding by the 13th pay period in FY 2013-14 (pay period ending 12/14/13).
- Shop and Fuel Chargeback – In FY 2012-13 the department used $809,901 in shop and fuel; Funding for FY 2013-14 is $547,048 for Shop and Fuel, creating a deficit of $262,853 in this area and fuel costs are continuing to increase.
- Computer Aided Dispatch (CAD) – With the increase for CAD, the Fire Department will be short by $23,372.
- Regional Wireless Cooperative (RWC) funding gap of $94,923 in FY 2013-14.
- Personal Protective Gear – An $80,000 supplemental for personal protective gear was submitted last budget process. This supplemental was an estimate to replace gear due to a National Fire Protection Association (NFPA) standard change in 2013. After initiating the new standards, the program was stopped at 25% replacement due to a lack of funding. The current requirement to make the department NFPA compliant is one-time funding of $496,324 and on-going funding of $111,300.
- Self-contained breathing apparatus (SCBA) updates – A $125,000 one-time supplemental for SCBA updates is required to keep the current equipment in service. Replacement parts are not available from the manufacturer, so units are being disassembled to utilize serviceable parts.

These amounts total $1,674,887 and are offset by projected salary savings of $250,147, a one-time reimbursement of $66,640 from the City of Goodyear, and a one-time reimbursement from the City of Phoenix for $30,030, for a net deficit of $1,328,070. This deficit is comprised of $524,654 in one-time expenses, bringing the on-going deficit to $803,416.

Based on a projected FY 2013-14 net deficit of $1,328,070, Council consensus was to seek funding to fill this budgetary shortfall. This action to fund $508,230 from General Fund Contingency leaves a projected deficit of $819,840. Budget appropriation to address the remaining $819,840 Fire Department deficit will be identified by Financial Services and Fire Department staff. It is anticipated that a budget transfer request in the fourth quarter of FY 2013-14 will include budgetary transfers from other departments.

On December 10, 2013, Council approved a resolution supporting the **Cash and Budget Appropriation Transfer Policy**. This policy indicates that contingency budget appropriation transfers can be authorized by Council throughout the fiscal year.

Analysis

Staff is requesting a contingency transfer of $508,230 in order to partially offset the $1,328,070 projected net deficit. The total amount of the request is based on an analysis of the total General Fund contingency appropriation and the anticipated future needs of the contingency appropriation. Approval of the transfer request is consistent with the **Cash and Budget Appropriation Transfer Policy**.

As stated previously, budget appropriation to address the remaining $819,840 Fire Department deficit will be identified by Financial Services and Fire Department staff. It is anticipated that a budget transfer request in the fourth quarter of FY 2013-14 will include budgetary transfers from other departments.

Previous Related Council Action

On December 10, 2013, Council adopted RESOLUTION NO. 4759 NEW SERIES supporting the **Cash and Budget Appropriation Transfer Policy**.

On November 19, 2013, Council was presented an analysis of the FY 2013-14 Fire Department, General Fund projected budget deficit at a City Council Workshop.

CITY COUNCIL REPORT

Budget and Financial Impacts

Staff is seeking City Council approval for a budget appropriation transfer from General Fund, Contingency, Contingency (1000- 11901-510200) to General Fund, Fire Operations, Overtime Pay (1000-12422-500600) in the amount of $508,230. This is the first budget transfer request to address the estimated Fire Department budget deficit as presented to Council on November 19, 2013. This request is consistent with the **Cash and Budget Appropriation Transfer Policy** which states contingency budget appropriation transfers can be authorized by Council throughout the fiscal year.

Capital Expense? Yes ☐ No ☒

Budgeted? Yes ☐ No ☒

Requesting Budget or Appropriation Transfer? Yes ☒ No ☐

If yes, where will the transfer be taken from? General Fund, Contingency, Department Contingency (1000-11901-510200)

Attachments

None

CITY COUNCIL REPORT

Meeting Date: **1/28/2014**
Meeting Type: **Voting**
Title: **AUTHORIZATION OF A GRANTS FUND TRANSFER TO FIRE GRANTS**
Staff Contact: **Mark Burdick, Fire Chief**

Purpose and Recommended Action

This is a request seeking City Council approval for a budget appropriation transfer from the Grants Fund, Miscellaneous Grants, Contingency (1840-32118-510200) to Grants Fund, Grant Appropriation-Fire Department, various accounts (1840-34001-<various>) in the amount of $1,000,000. This request is to increase the Fire Department grant budget for estimated grants to be received and expended for the remainder of Fiscal Year (FY) 2013-14.

Background

In FY 2013-14, a total of $500,000 in Fire Department grant funding was approved.

Analysis

Based on a review of the Fire Department actual grant expenditures through December 31 and projected grant expenditures through the remainder of the fiscal year, it is estimated that the total Fire Department grants received and spent in FY 2013-14 will be $1.5 million. As $500,000 was appropriated for FY 2013-14, an additional $1.0 million in budget is requested to cover anticipated grant expenditures through June 30, 2014. This includes a recently awarded grant from the Salt River Pima-Maricopa Indian Community in the amount of $425,000 for the purchase of a new fire truck. The new truck meets or exceeds all specifications for performance and service delivery and includes a full five year warranty on all engine, transmission, pump, tank, and body of the truck. This will increase the availability and reliability of this unit for emergency response by not requiring repairs as often.

Arizona Department of Homeland Security (AZDOHS) awarded the following grants to the Glendale Fire Department in the FY 2013-14:

- 2011 reallocated grant funds in the amount of $15,000 for the purchase of medical supplies, to replace expired pharmaceutical supplies for the Metropolitan Medical Response System (MMRS), and for personnel to attend national MMRS planning conferences.
- 2011 reallocated grant funds in the amount of $21,660 for the purchase of safety equipment for the Technical Rescue Team (TRT), and for personnel to receive training.

- 2011 reallocated grant funds in the amount of $59,500 to purchase a new response vehicle for the Terrorism Liaison Officer (TLO) program.
- 2013 grant funds in the amount of $108,000 to purchase equipment for the Rapid Response Team (RRT), and to send personnel for training.
- 2013 grant funds in the amount of $36,962 to purchase TLO cell phone, radio, equipment and satellite phone service, and to send personnel for training.

Previous Related Council Action

On June 14, 2013, Council approved the FY 2013-14 Budget which included Fire Department grant appropriations of $500,000 and Miscellaneous Grants appropriations of $3,724,494.

Community Benefit/Public Involvement

New apparatus is a benefit to the community and the firefighters that use and depend on them by putting a more reliable fire truck on the road. The truck will be equipped with new technology that will add a level of collision avoidance and the engine configuration will achieve a 50% increase in fuel efficiency, all of which will result in cost savings for the citizens.

Budget and Financial Impacts

Staff is seeking City Council approval for a budget appropriation transfer from the Grants Fund, Miscellaneous Grants, Contingency (1840-32118-510200) to Grants Fund, Grant Appropriation-Fire Department, various accounts (1840-34001-<various>) in the amount of $1,000,000. This request is to increase the Fire Department grant budget for estimated grants to be received and expended for the remainder of FY 2013-14. This request is consistent with the Cash and Budget Appropriation Transfer Policy adopted December 10, 2013, which states miscellaneous grant appropriation transfers can be authorized by Council throughout the fiscal year.

Capital Expense? Yes ☐ No ☒

Budgeted? Yes ☐ No ☒

Requesting Budget or Appropriation Transfer? Yes ☒ No ☐

If yes, where will the transfer be taken from? Grants Fund, Miscellaneous Grants, Contingency (1840-32118-510200)

Attachments

None

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO ACCEPT THE 2014 INTERNET CRIMES AGAINST CHILDREN SUB-GRANT**
Staff Contact:	**Debora Black, Police Chief**

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to accept the 2014 Internet Crimes Against Children (ICAC) sub-grant in the amount of $5,000.

Background

The ICAC sub-grant is managed by the Phoenix Police Department, which is the primary ICAC grantee. The Glendale Police Department has been receiving this grant for years to enhance the ability of the police to investigate and prosecute offenders of internet crimes against children.

Analysis

The Police Department will put these funds toward the purchase of a AccessData Forensic Tool Kit (FTK) License and Cellebrite UFED Touch Ultimate. The FTK is a court-approved digital investigations platform recognized as the standard in computer forensics software for forensic examiners. The FTK is designed to conduct examinations of data in a forensic manner from different devices that hold electronic evidence, such as: hard drives, thumb drives, and disks. The FTK is used to obtain evidence in cases ranging from child crimes and homicides, to property crimes and identity theft. Another license for the FTK will be purchased to increase the efficiency of computer forensic exams and allow another examiner to user the software.

Cellebrite UFED device will be replacing an older model device that is being phased out and no longer supported. The UFED device is used to extract digital evidence from cellphones, GPS devices, iPods, iPads and other tablets. The UFED device gives examiners the ability to bypass device passcode locks in order to extract the digital evidence.

This grant must be spent by April 14, 2014, so it is important for this item to go forward at this meeting. The department will follow proper procurement procedures when making the purchase using the grant funds.

CITY COUNCIL REPORT

Previous Related Council Action

On March 26, 2013, Council approved the acceptance of a 2013 ICAC grant in the amount of $5,000.

Budget and Financial Impacts

The grant award totals $5,000. There is no financial match required for this grant. A specific account will be established in Fund 1840, the city's grant fund, once the grant is accepted.

The total amount of the purchase will be $13,562.49. The amount not covered by the grant will be paid for using RICO Funds.

Cost	Fund-Department-Account
$8,562.49	**1860-32030-524400, RICO**

Capital Expense? Yes ☐ No ☒

Budgeted? Yes ☒ No ☐

Requesting Budget or Appropriation Transfer? Yes ☐ No ☒

If yes, where will the transfer be taken from?

Attachments

Resolution

RESOLUTION NO. 4765 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ACCEPTING THE FY2013-14 INTERNET CRIMES AGAINST CHILDREN SUB-GRANT FUNDED BY THE U.S. DEPARTMENT OF JUSTICE ON BEHALF OF THE GLENDALE POLICE DEPARTMENT.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the City of Glendale hereby accepts the FY2013-14 Internet Crimes Against Children sub-grant in the approximate amount of $5,000 funded by the U.S. Department of Justice through the Phoenix Police Department.

SECTION 2. That the City Manager or his designee is hereby authorized to execute any and all documents necessary for the acceptance of said sub-grant.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2014.

_____
M A Y O R

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager

g_pd_icac14

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO ENTER INTO FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH NORWOOD VILLAGE APARTMENTS, LLC AND GORMAN AND COMPANY, INC. FOR MULTI-FAMILY HOUSING**
Staff Contact:	**Sam McAllen, Interim Assistant City Manager**

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into an amendment to an existing development agreement with Norwood Village Apartments, LLC and Gorman and Company, Inc. This amendment will allocate an additional $390,000 in Neighborhood Stabilization Program 3 (NSP 3) administrative savings and unused demolition funding to cover new construction costs and provide solar panels to Norwood Village Apartments LLC, a 95 unit multi-family property, located at 6738 North 45th Avenue.

Background

On February 28, 2012, the City of Glendale approved a development agreement with Gorman and Company to utilize $1.8 million of NSP 3 funding to acquire and rehabilitate the foreclosed Norwood Village Apartments, being sold by Fannie Mae.

Gorman acquired Norwood Village Apartments, LLC, a garden-style community built in 1971, which is located on 5.19 acres and is in the process of rehabilitating 95 multi-family units. This property was foreclosed upon by Fannie Mae prior to it being sold to Gorman and Company, Inc. Gorman is partnering with the Arizona Bridge to Independent Living (ABIL) and Catholic Charities to provide accessible units and onsite wrap-around services for families. These services include before-and-after school programs, computer classes, financial literacy, and parenting classes to residents.

Gorman has developed a portfolio of over 50 properties in six states, representing over 3,500 housing units, many of which involved acquisition and rehabilitation. Gorman partnered with the non-profit agency, ABIL, on the development of the Glendale Enterprise Lofts located at 63rd Avenue and Glendale Avenue in 2010. ABIL will be used as a consultant during the rehabilitation to consult on accessibility of the units.

The Community Development Advisory Committee (CDAC) unanimously voted to support the allocation of an additional $390,000 in NSP 3 funds at their January 8, 2014 public meeting.

Analysis

The NSP 3 program was designed to assist communities in dealing with foreclosed properties and their effects on neighborhoods. This program was designed with strict guidelines and expenditure deadlines. This amendment will provide additional funds to help complete a project that will have a very positive community impact when completed. Gorman representatives contacted city staff asking if any additional funds were available for solar upgrades and other construction related costs. Since this project was bid out meeting all federal requirements and the funding can be applied quickly, the amendment will also help the city meet its NSP 3 expenditure deadline of March 16, 2014.

Previous Related Council Action

In March of 2011, Council formally adopted an amendment to the Community Revitalization Annual Action Plan accepting $3.7 million in Neighborhood Stabilization Program (NSP 3) funds from the U.S. Department of Housing and Urban Development, (HUD), and also allocating $1.8 million to the acquisition and rehabilitation of foreclosed multi-family properties, located within Centerline.

Community Benefit/Public Involvement

The acquisition and redevelopment of this foreclosed multi-family property will help stabilize the neighborhood and improve the quality of life for the residents of the apartment complex. The units will be completely rehabilitated and additional onsite amenities will provide the families with a community room, onsite playground, and interior and exterior modernization of the units. Some two bedroom units will be converted to accessible three bedroom units, addressing an unmet housing need as identified by Gorman through a recent marketing study.

In an effort to keep the units affordable, the addition of solar panels will help keep future utility costs within the budgets of the low-moderate income tenants living at Norwood Village Apartments.

Budget and Financial Impacts

This development will be publicly and privately funded. Public funding is being provided through NSP 3 with the rest of the funding being comprised from Low Income Housing Tax Credits, and other private financing. The anticipated project budget is $16,900,000. Glendale's portion of this project totals $2,190,000 with the additional NSP 3 funds.

CITY COUNCIL REPORT

Cost	Fund-Department-Account
$390,000	**1311-30910-518200 , Neighborhood Stabilization Program**

Capital Expense? Yes ☐ No☒

Budgeted? Yes ☒ No ☐

Requesting Budget or Appropriation Transfer? Yes ☐ No☒

If yes, where will the transfer be taken from?

Attachments

Resolution

Amendment to Agreement

RESOLUTION NO. 4766 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF A FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR MULTI-FAMILY HOUSING DEVELOPMENT UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM III WITH NORWOOD VILLAGE APARTMENTS, LLC; AND DIRECTING THAT THE AGREEMENT BE RECORDED.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That it is deemed in the best interest of the City of Glendale and the citizens thereof that the First Amendment to Development Agreement for Multi-Family Housing Development under the Neighborhood Stabilization Program III with Norwood Village Apartments, LLC be entered into, which development agreement is now on file in the office of the City Clerk of the City of Glendale.

SECTION 2. That the City Manager and the City Clerk are hereby authorized and directed to execute and deliver said development agreement on behalf of the City of Glendale.

SECTION 3. That the City Clerk is hereby directed to forward the development agreement for recording to the Maricopa County Recorder's Office within ten (10) days after the execution thereof.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2014.

_____
M A Y O R

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager
da_norwood1

C-_____

WHEN RECORDED RETURN TO:
City of Glendale
City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR MULTIFAMILY HOUSING DEVELOPMENT UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM III

This First Amendment to Development Agreement for Multifamily Housing Development under the Neighborhood Stabilization Program III ("Amendment") is entered this ___ day of _____, 20__, by and between the City of Glendale, an Arizona municipal corporation ("City"), and Norwood Village Apartments, LLC, a Wisconsin limited liability company authorized to do business in Arizona ("Developer").

WHEREAS, on February 28, 2012, the City entered into a Development Agreement for Multifamily Housing Development Under the Neighborhood Stabilization Program with Developer ("Agreement");

WHEREAS, as authorized by the United States Government under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010 for the Neighborhood Stabilization Program ("NSP") that was originally established under the Housing Economic Recovery Act of 2008; under the Title III of Division B of the Housing and Economic Recovery Act, 2008 ("HERA") (Pub. L. 110-289, approved July 30, 2008), as amended by the American Recovery and Reinvestment Act of 2009 ("ARRA") (Pub. L. 111-005), approved February 17, referred to as the Neighborhood Stabilization Program ("NSP"), the City conveyed to Developer $1,800,000 in NSP funds for the development and/or preservation of affordable rental properties in HUD-approved in its HUD-approved Community Development Block Grant ("CDBG") Consolidated Plan Substantial Amendment;

WHEREAS, the Developer desires to develop and/or preserve one hundred fifteen (115) multifamily living units ("Units," or individually a "Unit") for low-income households with incomes at or below 50 percent of Area Median Income ("AMI") ("Project"), and;

WHEREAS, the parties now desire to amend the Agreement to allow the Developer to use additional NSP III funds for construction costs for Norwood Village Apartments, Phase II ;

WHEREAS, the parties now desire to increase the payment to Developer under the Agreement to $390,000 as defined below in new Section IV (A) "Payment";

WHEREAS, all other terms of the Agreement remain in full force and effect;

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

I. SCOPE OF SERVICE

A. Activities. Consistent with NSP requirements, the Developer will be responsible for undertaking the activities described in this Amendment and Exhibit A attached hereto. The Developer's scope of service shall include the following activities eligible under NSP:

1.	Activity #1	Develop Project on Property.
2.	Activity #2	Rent Units in Project to Qualified Families (as hereinafter defined).
3.	Activity #3	Provide construction funding for Phase II of Norwood Village Apartment renovations.

IV. PAYMENT

A. It is expressly agreed and understood that the total amount to be paid by the City to Developer is $390,000. Prior to disbursement of any funds to the Developer, the City and Developer will execute a Deed of Trust and a Promissory Note.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

CITY OF GLENDALE, an Arizona municipal corporation

_____

Brenda S. Fischer, City Manager

ATTEST:

_____

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

_____

Michael D. Bailey, City Attorney

NORWOOD VILLAGE APARTMENTS, LLC, a Wisconsin limited liability company

By: NORWOOD VILLAGE APARTMENTS MM, LLC, a Wisconsin limited liability company, its managing member

By: GORMAN & COMPANY, INC., a Wisconsin corporation authorized to do business in Arizona, its manager

_____

Gary J. Gorman, President

STATE OF WISCONSIN)
) ss.
County of Dane)

On this the _____ day of _____ 20__, before me, the undersigned Notary Public, personally appeared Gary J. Gorman, who acknowledged himself to be the President of Gorman & Company, Inc. and that he as such official, being authorized to do so, executed the foregoing Agreement for and on behalf of Gorman & Company, Inc., as manager of Norwood Village Apartments, MM, LLC, as member of Norwood Village Apartments, LLC, for the purpose and consideration therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____

Notary Public

My Commission Expires

_____

Do not destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before release and conveyance will be made.

WHEN RECORDED, RETURN TO:
City of Glendale
City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

PROMISSORY NOTE
DEFERRED LOAN

Loan Amount: $390,000.00 Glendale, Arizona

Date: _____, 2014

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of Three Hundred Ninety Thousand Dollars and 00/100 ($390,000.00). This Promissory Note ("Note") is made on a 10-year Deferred Loan, non-interest bearing basis on and is secured by a Deed of Trust and Assignment of Rents ("Deed of Trust").

This Note shall become due and payable upon any transfer, voluntary, involuntary, or by operation of law, of the Property identified in the Deed of Trust within ten years from the date of this Note, or at any time within ten years from the date of this Note undersigned ceases to occupy or use the property to provide Multifamily Housing Development. This Note is secured by a Deed of Trust executed by the undersigned naming the City of Glendale as Beneficiary; which Deed of Trust and this Note are security for the obligations of the undersigned contained in the Subrecipient Contract – Nonprofit Corporations Community Development Block Grant Program Physical Improvements executed by the parties on _____.

The amount due at such time shall be the amount of the current fair market value of the property less any portion attributable to non-Community Development Block Grant ("CDBG") funds involved in the rehabilitation improvements to the Property. The current fair market value of the Property shall be established by independent appraisal. The portions of fair market value attributable to CDBG and non-CDBG funds shall be established at completion of the rehabilitation improvements through a subsequent appraisal. Appraisals completed to determine such values shall be at the sole cost and expense of the City.

If at the end of the term of this Note, the undersigned has continuously provided the services and complied with the provisions of the above referenced subrecipient agreement, the City shall consider the obligations of this Note to have been met and shall consider its security interest in the property to be released to the undersigned.

Should default be made in the payment of any amount when due, or should the undersigned default on any obligation owed to the City under the terms of this Note or the Deed of Trust providing security, therefore, the whole sum of principal shall become immediately due and payable at the option of the holder of this Note.

If suit or action is instituted by City to recover on this Note, the undersigned agrees to pay reasonable attorney's fees and costs in addition to the amount due on the Note.

Diligence, demand, protest and notice of demand and protest are hereby waived and the undersigned hereby waives, to the extent which otherwise would apply to the debt evidenced by this Note. Consent is hereby given to the extension of time of payment of this Note, without notice.

The undersigned reserves the right to repay at any time all of the principal amount of this Note in a single payment without the penalties, discount or premiums.

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned, as of the date above written.

NORWOOD VILLAGE APARTMENS, LLC, a
Wisconsin limited liability company

By: NORWOOD VILLAGE APARTMENTS MM, LLC, a
Wisconsin limited liability company, its managing member

By: GORMAN & COMPANY, INC., a
Wisconsin corporation authorized to do
Business in Arizona, its manager

_____
Gary J. Gorman, President

STATE OF WISCONSIN)
) ss.
County of Dane)

On this the ___ day of _____, 20__, before me, the undersigned Notary Public, personally appeared Gary J. Gorman, who acknowledged himself to be the President of Gorman & Company, Inc., and that he, as such official, being authorized to do so, executed the foregoing Note for and on behalf of Gorman & Company, Inc., as manager of Norwood Village Apartments MM, LLC, as member of Norwood Village Apartments, LLC, for the purpose and consideration therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public

My Commission Expires:

_____

When recorded, mail to:
CITY OF GLENDALE
Neighborhood Revitalization
5850 W. Glendale Avenue
Glendale, AZ 85301

RECAPTURE PROVISION
DEED OF TRUST AND ASSIGNMENT OF RENTS

DATE: _____

TRUSTOR: Norwood Village Apartments, LLC
ADDRESS: 2375 East Camelback Road, 6th Floor
Phoenix, Arizona 85016

BENEFICIARY: City of Glendale
(ADDRESS): 5850 West Glendale Avenue
Glendale, Arizona 85301

TRUSTEE: First American Title Company
(ADDRESS): National Commercial Services-
24 Greenway Plaza, Suite 850
Houston, Texas 77046

PROPERTY in Maricopa County, State of Arizona, described as:

See the Legal Description set forth in "Exhibit A"
attached and incorporated by this reference.

This Deed of Trust is made between the Trustor, Trustee and Beneficiary above named.

WITNESSETH: That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above-described real property, together with: (1) All buildings, improvements and fixtures now or hereafter placed thereon; (2) all existing leases, and all future leases executed with respect to such property; (3) all rents, issues, profits and income thereof (all of which are hereinafter called "property income"); (4) all classes of property now, or at any time hereafter, attached to or used in any way in connection with the use, operation or occupancy of such property; (5) all property, rights, permits and privileges now or hereafter owned by Trustor or now or hereafter appurtenant to such property, which entitle Trustor or such property to receive water or electrical power for use thereon; all property granted, transferred and assigned to Trustee hereunder is hereafter referred to as the "property," and Trustor warrants that it is well and truly seized of a good and marketable

title in fee simple to the real property hereby conveyed; that the title to all property conveyed by this Deed of Trust is clear, free and unencumbered, and Trustor shall forever warrant and defend the same unto Beneficiary, its successors and assigns, against all claims whatsoever; **SUBJECT, HOWEVER**, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; **AND SUBJECT TO** any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance polity insuring Beneficiary's interest in the property.

FOR THE PURPOSE OF SECURING:

(a) Performance of each agreement of Trustor herein contained. (b) Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in the principal sum of **Three Hundred Ninety Thousand Dollars and 00/100 ($390,000.00)** executed by Trustor in favor of Beneficiary or order. (c) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes that are secured by this Deed of Trust.

A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law; and to do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards specified by Beneficiary in an amount not less than the total obligation secured hereby. All policies shall be held by Beneficiary and be in such companies as Beneficiary may approve and have loss payable first to Beneficiary, as his interest may appear and then to Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as Beneficiary may determine or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary or Trustee, including cost of evidence of title and attorney's fees in a reasonable

sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to enforce this Deed of Trust.

4. To pay before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: 1) Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; 2) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; 3) pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, 4) in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable fees. All amounts so paid, together with interest thereon at the same rate as is provided for in the note secured by this Deed of Trust or at the highest legal rate, whichever is greater, shall be part of the debt secured by this Deed of Trust and a lien on the above property.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Deed of Trust or at the highest legal rate, whichever is greater. Any amounts so paid by Beneficiary or Trustee shall become part of the debt secured by this Deed of Trust and a lien on said property and immediately due and payable at option of Beneficiary or Trustee.

B. RECAPTURE PROVISION:

The HOME Investment Partnerships (HOME) Program, and Neighborhood Stabilization Program (NSP III) under 24 CFR §92.254, requires that housing provided through these funds must be secured for the use of low-income households for a period of affordability. The period of affordability period is determined based on the amount of the HOME/NSP III subsidy.

Under the HOME/NSP III regulations, recapture is the option which will be used to control the recovery of the HOME/NSP I fund investment in a property during the affordability period.

Utilizing the recapture provisions of the HOME/NSP III regulation, the fair return to the seller will be calculated based on the net proceeds from the sale and the amount of the original HOME fund investment in the property. The HOME/NSP III subsidy shall be recoverable any time the property is sold before the expiration of the affordability period. The method that will be used to calculate the fair return and the HOME/NSP III subsidy to be recovered shall be detailed in the Deed of Trust and Promissory Note for the property. If the affordability period has been satisfied, the seller will be entitled to all net proceeds from the sale of the property.

In the case of a foreclosure or foreclosure sale, the period of affordability shall be terminated. Upon receipt of the notice that a foreclosure is pending the Beneficiary shall take positive steps to assert rights to a share of the proceeds from the foreclosure sale. The Beneficiary shall, to the extent feasible, recapture the original HOME/NSP III investment. If the Trustor has failed to make payment to the first mortgage holder, the Beneficiary will not be obligated to correct any deficient payment. The amount recaptured shall be based on the amount of the net proceeds from the foreclosure sale. If no proceeds are generated, the HOME investment shall not be recaptured. The method that will be used to calculate the amount of the recapture funds shall be detailed in the Deed of Trust and the Promissory Note.

If the original owner ceases to utilize the property as stated in agreement, voluntary or involuntarily, or upon dissolution of the Trustor, the original HOME investment shall become due and payable. The method that will be used to calculate the amount of the recaptured funds shall be detailed in the Deed of Trust and Promissory Note. The Beneficiary, at its discretion, can elect to allow the owners to properly utilize the property for the remainder of the affordability period. If the affordability period has been satisfied, the Beneficiary shall, to the extent to necessary, task action to protect its investment.

If the owner is in default of the agreement, the Beneficiary has the right to allow a non-profit partner to exercise a different but approved recapture/resale provision, if in the best interest of the program and the customer. Failure to take action may result in the Beneficiary exercising its right to foreclose in order to satisfy the contract and comply with federal requirements.

RESTRICTED PARCELS; APPROVAL OF LEASES. In order to assure that the proper number and types of units have been rented in accordance with this Regulatory Agreement, Owner is prohibited from leasing any Unit within the Project until either the parties have recorded against the Property a list of the Restricted Units codes, covenant, and restrictions and/or of the Agency has to approve the individual lease or lease form for the Restricted Units. The following numbers of Units are restricted for each respective funding source. The initial rents for the respective units shall be the following; provided, however, that upon the request of Owner, Owner and Agency may agree to a schedule for the Restricted Units that complies with the following affordability requirements as of the date when the Project is available for occupancy. In any event the rents for the respective units may be adjusted not more often than annually. The rents shall include allowance for utilities and costs reasonably related to

the rental of the units, as may be required in determining the rents for the applicable funding sources. Only units indicated under Agency Funding Source are assisted by the Agency. Nevertheless, Owner shall assure the affordability of all of the following units at the named affordability levels.

Agency Funding Source:	Other Funding Source:	Affordability Level:	Number of Units:	Restricted Units:	Initial Rent per Unit per Month:
NSP III		Up to 50% of area median income	-13-	Floating (8) Eight-Two Bedroom and (3) Three Bedroom	2-BR-$600.00 3-BR $750.00

TERM. The term of this Regulatory Agreement shall commence on the Effective Date and continue until the terms of all of the covenants, including without limitation, the terms stated in the Funding Requirements, have expired or otherwise been terminated. Notwithstanding the term in the Funding Requirements, the term of this Regulatory Agreement shall be **fifteen (15) years** from the Effective Date.

C. IT IS MUTUALLY AGREED:

1. That any award of damages in connection with any condemnation or any taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto Trustor, however, the right to sue therefore and the ownership thereof, subject to this Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. Without affecting the obligation of Trustor to pay and perform as herein required; without affecting the personal liability of any person for payment of the indebtedness secured hereby; and without affecting the lien or priority of lien hereof on the Trust Property, Beneficiary may, at its option, extend the time for payment of said indebtedness, or any part thereof, reduce the payment thereon, release any person liable on any of said indebtedness, accept a renewal note therefore, modify the terms of said indebtedness, take or release other or additional security or join in any extension or subordination agreement. Any such action by Beneficiary or the Trustee at Beneficiary's direction may be taken without the consent of any junior lien holder, and shall not affect the priority of this Deed of Trust over any junior lien. Time is of the essence of this Deed of Trust.

3. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement, and without liability therefore and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; or (d) join in or consent to any extension agreement of any agreement subordinating the lien, encumbrance or charge hereof. Any Trustor signing this Trust as a surety or accommodation party or that has subjected its property to this Trust to secure the debt of another, expressly waives the benefits of A.R.S. § 12-1641.

4. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder, the recitals in such reconveyance, of any matters or facts, shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time, without notice either by person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of the Trustor, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such property income, including that past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees of Beneficiary and Trustee, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such property income, and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice. Beneficiary shall expressly have all rights provided for in A.R.S. §§ 33-702B and 33-807.

6. That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this Deed of

Trust. Beneficiary also shall deposit with Trustee this Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee shall sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee at its discretion may postpone or continue the sale from time to time by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. The purchaser at the Trustee's sale shall be entitled to immediate possession of the property as against the Trustee or other persons in possession and shall have a right to the summary proceedings to obtain possession provided in A.R.S. §§ 12-1171 *et seq.*, together with costs and reasonable attorney's fees.

After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees of Beneficiary and Trustee, Trustee shall apply the proceeds of sale to payment of: all sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. §33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. In lieu of sale pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary shall also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies shall be cumulative.

7. That Beneficiary may appoint a successor Trustee in the manner prescribed by law. Trustor and Beneficiary authorize Trustee, in the event any demand or notice is made or tendered to it concerning this trust or the property, to hold any money and documents and to withhold action or performance until an action shall be brought in a court of competent jurisdiction to determine the rights asserted or the property of the demand, notice or action requested and Trustee shall be without liability or responsibility for awaiting such court action. A Successor Trustee herein shall without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign at any time by mailing or delivering notice thereof to Beneficiary and Trustor and having so resigned shall be relieved of all liability and responsibility to Trustor, Beneficiary or otherwise hereunder. "Trustee" herein shall include all successor trustees. Trustee shall not be liable for any action taken in its discretion and in good faith, or upon advice of counsel, or upon any information supplied or direction given by Beneficiary. Unless Trustee is adjudged grossly negligent or guilty of intentional wrongdoing or breach of contract, Trustor and Beneficiary will, upon demand, indemnify and hold harmless Trustee against all costs, damages, attorney's fees, expenses and liabilities which it may incur or sustain in connection

with this Deed of Trust or any foreclosure or sale hereof or any court or other action or proceeding arising here from.

8. That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the contest so required, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

9. That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee may but is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at his address set forth above.

CITY OF GLENDALE, an Arizona
municipal corporation

_____
Brenda S. Fischer, City Manager

ATTEST:

_____
Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

_____
Michael D. Bailey, City Attorney

NORWOOD VILLAGE APARTMENTS, LLC, a Wisconsin limited liability company

By: NORWOOD VILLAGE APARTMENTS MM, LLC, a Wisconsin limited liability company, its managing member

By: GORMAN & COMPANY, INC., a Wisconsin corporation authorized to do business in Arizona, its manager

_____
Gary J. Gorman, President

STATE OF WISCONSIN)
) ss.
County of Dane)

On this the _____ day of _____ 20__, before me, the undersigned Notary Public, personally appeared Gary J. Gorman, who acknowledged himself to be the President of Gorman & Company, Inc. and that he as such official, being authorized to do so, executed the foregoing Agreement for and on behalf of Gorman & Company, Inc., as manager of Norwood Village Apartments, MM, LLC, as member of Norwood Village Apartments, LLC, for the purpose and consideration therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public

My Commission Expires

_____

Do not destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before release and conveyance will be made.

EXHIBIT A

(Property legal description)

EXHIBIT "A"

PARCEL NO. 1:

TRACT "A," GRANADA VISTA, ACCORDING TO BOOK 134 OF MAPS, PAGE 42 AND CERTIFICATE OF CORRECTION RECORDED IN DOCKET 8965, PAGE 235, RECORDS OF MARICOPA COUNTY, ARIZONA.

PARCEL NO. 2:

THAT PORTION OF THE ABANDONED ALLEY LOCATED TO THE WEST OF TRACT "A," GRANADA VISTA, ACCORDING TO BOOK 134 OF MAPS, PAGE 42, RECORDS OF MARICOPA COUNTY, ARIZONA, AS ABANDONED BY CITY OF GLENDALE ORDINANCE NO. 2019 RECORDED IN RECORDING NO. 98-0823776, LYING BETWEEN THE WESTERLY EXTENSION OF THE NORTH AND SOUTH LINES OF SAID TRACT "A."

This Declaration is to be recorded separately.

DECLARATION OF DEED RESTRICTIONS
For Norwood Village Apts located 6738 N. 45th Ave Glendale AZ 85301

THIS DECLARATION OF DEED RESTRICTIONS (this "Declaration"), made and entered into as of _____, 201__ by and between **Norwood Village Apartments, LLC,** a Wisconsin limited liability company (the "Owner") and **City of Glendale** (the "Lender");

W I T N E S S E T H

In consideration of the mutual covenants and understandings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Owner and the Lender hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings set forth below:

"Deed of Trust" means the mortgage or deed of trust that secures the promissory note and FORGIVABLE LOAN AGREEMENT: HOME ASSISTED MULTIFAMILY RENTAL HOUSING (Exhibit A) and constitutes a lien on a fee simple interest in the Development and the Land.

"Development" means the residential housing unit(s) to be acquired, constructed or rehabilitated with the proceeds of the Mortgage Loan and to be located on the Land.

"Owner" means the party or entity that created the restrictions, conditions and covenants under which said land is subject.

"Subject property" means the real property described in Exhibit A attached to the Forgivable HOME Program Loan Agreement.

"Mortgage Loan" means the loan made to the Owner by the Lender to finance the acquisition, construction or rehabilitation of the Development.

"Note" means the instrument that contains the promise of the Owner to pay the sum of money stated therein at the time stated therein and that evidences the obligation of the Owner to repay the Mortgage Loan.

"Period of Affordability" means the period commencing on (i) the day on which the Project is acquired by Owner where no Mortgage Loan funds are earmarked for construction or rehabilitation, or (ii) the date of Project completion (as evidenced by a "Certificate of Compliance" issued by the appropriate governmental authority) where all or a portion of the Mortgage Loan funds are earmarked for construction or rehabilitation (the "Commencement Date") and ending on the date that is **20 years** after the Commencement Date.

"Regulations" means the rules and regulations promulgated by the Department of Housing and Urban Development in 24 CFR Part 92.

"State" means the State of Arizona.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.

Section 2. **Covenants, Conditions and Restrictions**. The Owner hereby represents, covenants, warrants and agrees that:

(a) The Subject Property will be acquired, constructed or rehabilitated for the purpose of providing "affordable housing", as prescribed in 24 CFR Part 92.252; and

(b) That, subject to the provisions of Section 4 below, the Development shall continue as "affordable housing" for the full Period of Affordability.

(c) These deed restrictions are further stated and explained in the Forgivable Loan Agreement: HOME Assisted Multifamily Rental Housing attached hereto as Exhibit B and incorporated by this reference as if fully set forth herein.

(d) To ensure that the Subject Property and Development remains as "affordable housing" throughout the Period of Affordability, the lender shall have the right of first refusal if Owner determines to sell or otherwise convey the property during the Period of Affordability.

Section 3. **Covenants to Run With the Land**. The covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and, except as provided in Section 4 hereof, shall pass to and be binding upon the Owner's heirs, assigns and successors in title to the Land or the Development; provided, however, that upon the termination of this Agreement in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Except as provided in Section 4 hereof, each and every contract, deed or other instrument hereafter executed covering or conveying the Subject Property or the Development or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If

a portion or portions of the Subject Property are conveyed, all of such covenants, reservations and restrictions shall run to each portion.

Section 4. Term. This Agreement shall remain in full force and effect until the expiration of the Period of Affordability; provided however, that this Agreement shall automatically terminate in the event of foreclosure or transfer of title by deed in lieu of foreclosure. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event, such termination will cease to be in effect if, at any time during the remainder of the Period of Affordability, the Owner of record immediately prior to the foreclosure or deed in lieu of foreclosure, or any newly formed entity that includes such former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Development or the Land.

Section 5. Remedies; Enforceability. If a violation of any of the provisions hereof occurs or is attempted, the Lender and its successors and assigns may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, to compel specific performance hereunder, or to recover monetary damages caused by such violation or attempted violation. The provisions hereof are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Development at the time of such violation or attempted violation. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time or times.

Section 6. Filing. This Agreement shall be duly recorded in the Office of the Maricopa County Recorder.

Section 7. Governing Law. The laws of the State of Arizona shall govern this Agreement.

Section 8. Amendments. Except as provided in Section 4, this Agreement shall not be amended, revised, or terminated except by a written instrument, executed by the parties hereto or their successors in title, and duly recorded in the Office of the Maricopa County Recorder.

Section 9. Notice. Any notice required to be given hereunder shall be given by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Owner: Norwood Village Apartments, LLC
2375 East Camelback Road 6th Floor
Phoenix, AZ 85016
Phone: 602-708-4889
Fax: 608-835-3922

Lender: City of Glendale
Community Revitalization Division
5850 W. Glendale Avenue #107
Glendale AZ 85301

With Copy: City of Glendale
City Attorney
5850 West Glendale Avenue
Glendale, AZ 85301

Notice shall be deemed given on the third business day after the date of mailing.

Section 10. **Severability**. If any provision hereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 11. **Multiple Counterparts**. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

IN WITNESS HEREOF, the parties have hereunto set their hands.

CITY OF GLENDALE, an Arizona municipal corporation

_____
Brenda S. Fischer, City Manager

ATTEST:

_____
Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

_____
Michael D. Bailey, City Attorney

NORWOOD VILLAGE APARTMENTS, LLC, a Wisconsin limited liability company

By: NORWOOD VILLAGE APARTMENTS MM, LLC, a Wisconsin limited liability company, its managing member

By: GORMAN & COMPANY, INC., a Wisconsin corporation authorized to do business in Arizona, its manager

_____
Gary J. Gorman, President

STATE OF WISCONSIN)
) ss.
County of Dane)

On this the _____ day of _____ 20__, before me, the undersigned Notary Public, personally appeared Gary J. Gorman, who acknowledged himself to be the President of Gorman & Company, Inc. and that he as such official, being authorized to do so, executed the foregoing Agreement for and on behalf of Gorman & Company, Inc., as manager of Norwood Village Apartments, MM, LLC, as member of Norwood Village Apartments, LLC, for the purpose and consideration therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public

My Commission Expires

_____

CITY COUNCIL REPORT

Meeting Date: **1/28/2014**
Meeting Type: **Voting**
Title: **AUTHORIZATION TO AMEND COUNCIL MEETING RULES AND PROCEDURES**
Staff Contact: **Kristen Krey, Council Services Administrator**

Purpose and Policy Guidance

This is a request for Council to waive reading beyond the title and adopt a resolution amending the Council Meeting Rules and Procedures to better reflect the direction and philosophy of the Mayor and Council.

Background

At the June 18, 2013 City Council workshop, Council discussed the placement of Citizen Comments in the Order of Business at City Council meetings. At the August 13, 2013 City Council meeting, action was taken to move Citizen Comments to the beginning of the meeting for the next six months to determine if this is an effective measure for public participation. At that time, the Council Meeting Rules and Procedures (Section 3) was not revised and it was determined that the item would be brought forward to Council at the end of the six month trial period.

Citizen Comments were placed at the beginning of the Council meeting agendas in September 2013. At the Council workshop on January 21, 2014, Council reviewed this item and determined by consensus to return the Citizen Comments to the end of the meeting and allow three minutes per speaker instead of five minutes.

Analysis

Staff is recommending a change be made to Section 3.1 of the Council Meeting Rules and Procedures (Order of Business) to accurately reflect the order of business at City Council meetings, as the order indicated on the document was not current in regards to the order of the agenda.

Based on Council direction, staff is also recommending Section 5 of the Council Meeting Rules and Procedures (addressing the Council, Regular Meetings and Public Hearings) be revised to indicate the change from five minutes to three minutes per speaker for Citizen Comments.

As a point of clarification, there are two different opportunities for the public to make comments during City Council meetings:

- Citizen Comments - Occur at the end of the Council meeting. **This applies to citizens wishing to discuss items that are not on the Council Agenda.** The comment period will be limited to three minutes per speaker effective at the February 11, 2014 Council meeting.

- Public Hearing Item Comments and Non-Public Hearing Item Comments – Occur throughout the meeting. **These apply to items that are on the Council meeting agenda** and are limited to five minutes per speaker.

Previous Related Council Action

At the June 18, 2013 City Council Workshop, Council discussed the Order of Business for citizens comments at City Council meetings.

At the August 13, 2013 City Council meeting, action was taken to move public comments to the beginning of the meeting.

At the September 10, 2013 City Council voting meeting, the Council Meeting Rules and Procedures were also updated to include the Council Prayer/Invocation.

Attachments

Resolution

Amended Council Meeting Rules and Procedures

RESOLUTION NO. 4767 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ADOPTING THE GLENDALE CITY COUNCIL "COUNCIL MEETING RULES AND PROCEDURES."

WHEREAS, the Mayor and City Council adopted the Glendale City Council "Council Meeting Rules and Procedures" by Resolution No. 3136 New Series on July 8, 1997;

WHEREAS, the Mayor and City Council adopted an amended Glendale City Council "Council Meeting Rules and Procedures" by Resolution No. 4721 New Series on September 10, 2013; and

WHEREAS, the Council of the City of Glendale wishes to ensure that order and decorum at all meetings of the Council be preserved to allow the orderly conduct of the business of the meetings and to provide all persons in attendance a fair opportunity to provide input to the Council and to City administration.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the certain document known as the Glendale City Council "Council Meeting Rules and Procedures" is hereby adopted and attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 2. That three (3) copies of the Council Meeting Rules and Procedures are on file in the office of the City Clerk of the City of Glendale, Arizona.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2014.

_____
M A Y O R

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager
c_rules_procedures

EXHIBIT A

GLENDALE CITY COUNCIL
COUNCIL MEETING RULES AND PROCEDURES

SECTION 1: RULES, PURPOSE AND EFFECT

1.1 The Council's meetings must be noticed and conducted in accordance with applicable open meetings statutes and other law.

1.2 These rules and procedures are adopted by the Council of the City of Glendale, under the Council's authority provided by the Charter and by law to determine its own rules, order of business, and to regulate the conduct of its meetings. Where not inconsistent with these rules and procedures, the current version of *Robert's Rules of Order* will be used as a supplementary guideline and general parliamentary procedure will be observed in the conduct of the Council's meetings.

1.3 The Mayor, or a majority of the council, may suspend strict observance of these rules and procedures and any applicable provision of *Robert's Rules* for the timely and orderly progression of the meeting.

SECTION 2: PRESIDING OFFICER

2.1 As provided by the City Charter, the Mayor, or in the Mayor's absence, the Vice-Mayor, is the presiding officer of the Council and will preside at all Council meetings.

2.2 The presiding officer will preserve order and decorum at all meetings of the Council to allow the orderly conduct of the business of the meeting and to provide persons in attendance with an interest in all agenda items to have an opportunity to have their item of interest duly considered by the Council, including a fair opportunity for interested persons to speak on public hearing items. Any decision by the Mayor on procedural matters in final, subject only to appeal to the whole Council as provided in *Robert's Rules.*

SECTION 3: ORDER OF BUSINESS

3.1 The order of business at regular meetings of the Council ordinarily will be as follows:

- Call to Order – Pledge of Allegiance
- Prayer/Invocation
- Approval of Minutes
- Boards and Commissions
- Proclamations and Awards
- Consent Agenda
- Consent Resolutions

- Public Hearing - Land Development Actions
- Land Development Actions
- Bids and Contracts
- Public Hearing- Ordinances
- Ordinances
- Public Hearing- Resolutions
- Resolutions
- New Business
- Request for Future Workshop and Executive Session
- Citizen Comments
- Council Comments and Suggestions
- Adjournment

3.2 The Mayor, or a majority of the Council, may decide to consider items out of sequence from the printed agenda for the meeting. The Council cannot act on any items not listed on the agenda unless an emergency exists.

3.3 The consent agenda matters are of a routine nature or matters which previously have been studied by the Council at a work session and may be adopted by one motion. Other than introduction of the items by the City Manager, there will be no discussion of separate items, unless members of the Council request that a specific item be discussed and considered separately.

3.4 Prayer/Invocation at Council Voting Meetings - In order to solemnize proceedings of the City Council, it is the policy of the City Council to allow for an invocation or prayer to be offered at its meetings for the benefit of the City Council and the community.

3.5 The following guidelines allow for an invocation, which may include prayer, reflective moment of silence, or short solemnizing message.

1. No member of the Council, employee of the City, or any other person in attendance at the meeting shall be required to participate in any prayer or invocation that is offered.

2. The prayer/invocation shall be voluntarily delivered by any person who has offered.

3. The speaker shall not receive compensation for his or her service.

4. No speaker shall proselytize or otherwise openly seek to promote certain aspects of doctrine or faith; openly advocate or campaign for conversion of individuals or groups; or openly advance any faith, belief, doctrine, or dogma. No prayer/ invocation shall disparage the religious faith or non-religious views of others.

5. It is recommended that the prayer/invocation be no more than two minutes in length.

The above guidelines are not intended, and shall not be implemented or construed in anyway, to affiliate the City Council with, nor express the Council's preference for, any faith or religious denominations. Rather, these guidelines are intended to acknowledge and express the City Council's respect for the diversity of both organized and unorganized religious denomination, as well as other faiths represented and practiced among the citizens of the City of Glendale.

3.6 Anyone violating of these guidelines is subject to disqualification from offering future prayers/invocations.

3.7 As adopted by Council, the City Council Meeting Rules and Guidelines state that the Mayor is the presiding officer of the meetings and as such:

> "**SECTION 2 – PRESIDING OFFICER**
>
> 2.1 As provided by the City Charter, the Mayor, or in the Mayor's absence, the Vice-Mayor, is the presiding officer of the Council and will preside at all Council meetings.
>
> 2.2 The presiding officer will preserve order and decorum at all meetings of the Council to allow the orderly conduct of the business of the meeting and to provide persons in attendance with an interest in all agenda items to have an opportunity to have their item of interest duly considered by the Council, including a fair opportunity for interested persons to speak on public hearing items. Any decision by the Mayor on procedural matters in final, subject only to appeal to the whole Council as provided in *Robert's Rules.*

Therefore, the Mayor shall advise the speaker that their time is up in order to keep with the orderly operation of the meeting.

3.8 In no event shall a speaker be scheduled to offer a prayer/invocation at consecutive meetings of the Council.

3.9 In no event shall a speaker offer the prayer/invocation more than three times in one fiscal year. Similarly, no speaker from the same denomination, faith or sect shall speak more times than three in one fiscal year.

3.10 Neither the Council nor staff shall engage in any inquiry, examination, restriction, review of, or involvement in, the content of any prayer to be offered.

3.11 In the event that there is no scheduled speaker to offer the prayer/invocation, the agenda shall include a Moment of Silence.

3.12 The following language shall be included on every agenda:

> "Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Mayor's office and interested persons should contact the Mayor's office for further information."

3.13 City officials should not give the impression that they are expressing an official City religion, are speaking on the City's behalf or that City residents attending the meeting are expected to participate in the prayer/invocation.

3.14 Process:

1. The Mayor's office will maintain a list of volunteers.

2. Volunteers will be able to sign up via the website, a hard copy request form also available on the website, or submitted in person to a representative of the Mayor's Office at 5850 West Glendale Avenue.

3. As the requests are received they will be placed in that order. The speakers will be contacted in order of date and then time received and requested to speak at a future meeting of the Council.

4. The Mayor's office will follow up with letter setting forth the date and time that the speaker should be prepared to offer the invocation/prayer. Additionally, the letter will remind the intended speaker that the prayer/invocation being offered cannot seek to proselytize in favor of one religion or sect or disparage another region or belief.

SECTION 4: WORKSHOP MEETINGS

4.1 The Council may conduct workshop meetings or study session on matters which are expected to come before the Council for formal action at a regular meeting or otherwise need study by the Council. Items to be considered will be placed on an agenda as required by the open meetings statutes.

4.2 At workshop meetings the Council will receive information and presentation of issues from the City Manager and City staff. Council may ask questions and may request that certain information be provided or issues be addressed when items are considered further at another workshop meeting or a regular meeting of Council. Council may direct that

matters under consideration be brought forward for formal action at a regular meeting, that further study be conducted if appropriate, that matters under consideration not be pursued further (except for matters requiring a public hearing), or that modifications be made before a matter is considered further.

4.3 Final action on items is not taken at workshop or study sessions. No formal vote of the Council in favor or against any agenda item may be taken at a workshop or study session.

4.4 Workshops are not public hearings. On public hearing items, public testimony will be taken before Council action on the item at a regular meeting. No member of the public or interested party has the right to make a presentation or address the Council on an item under consideration in a workshop or study session. Questions may be directed by the Council to a member of the public or another interested party or, in appropriate circumstances, a brief presentation may be permitted by a member of the public or another interested party on an agenda item or a particular question related to an agenda item. The Mayor may limit or end the time for such response to questions or presentation.

SECTION 5: ADDRESSING THE COUNCIL, REGULAR MEETINGS AND PUBLIC HEARINGS

5.1 Any person wishing to address the Council, on a public hearing item or other agenda item, must fill out a speaker card and turn it in to the City Clerk, indicating the speaker's name, address, and the agenda item on which he or she wishes to speak. Persons wishing to speak under "Citizen Comments" should designate a subject matter on which they will speak. On agenda items that are not scheduled for public hearing, brief public comment may be allowed, time permitting. The time permitted for such public comment by each speaker will be limited as provided for public hearing items. The Mayor may close the public comment on non-public hearing agenda items, even if not all interested parties have spoken, or end the time for comment by a speaker, to allow the meeting to proceed.

5.2 Citizen Comments occur at the end of the Council meeting. **These are speakers discussing items that are not on the Council Agenda.** These will be limited to three minutes per speaker.

5.3 Public Hearing Item Comments and Non-public Hearing Item Comments occur throughout the meeting. **These are for items that are on the Council meeting agenda** and are limited to five minutes per speaker.

a. Speakers may be limited to less than five minutes each in consideration of the number of people wishing to speak, the length of the agenda, the number of public hearing items, and the timely and orderly progression of the meeting. Applicants on public hearing items and their attorneys, representatives, experts and supporting witnesses are not necessarily limited to a total of five minutes, but must be concise and coordinate their presentations to avoid repetition and unnecessary length. At the discretion of the Chair, rebuttal comments by the

applicant or applicants' representative may be allowed. If allowed, rebuttal comments will address matters and questions raised in the public hearing, answers to questions by Council, and must be brief. Other than any rebuttal, no person will be allowed to address the Council after the public hearing is closed or after a motion is made on a non-public hearing item, without first securing the permission to do so.

5.4 Speakers on any items, whether a public hearing, other item on the agenda, or Citizen Comments, should address their comments to matters pertinent to the agenda item or subject matter at hand and should avoid repetition of the comments of previous speakers on the item. Simply stating agreement with the points raised by the prior speaker(s) will help move the meeting along so that all who wish to speak have the opportunity to do so within a reasonable time. Large groups whose members wish to speak on a matter may designate a spokesperson.

5.5 The purpose of public comment is to provide information and the speaker's views for Council consideration. Any questions raised by the speaker will not be answered by Council during the public hearing, but will be referred for follow-up by the City Manager or City staff after the conclusion of the public hearing. It is not appropriate in the public hearing or public comment period on another agenda item for the speakers to debate the matter under consideration with other speakers, the audience, or members of the Council. All comments should be addressed through the Chair. Questions may be posed to the speakers, any applicant's representatives, and City staff, by the Council, after being recognized by the Chair. Except when answering a direct question from a Councilmember, all remarks will be addressed to the Council as a whole, and not to individual members.

5.6 Proper decorum must be observed by members of the Council, by speakers in providing testimony and remarks, and by the audience. The Mayor shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, City staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the Mayor, will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the Mayor.

5.7 Exhibits, letters, petitions and other documentary items presented or shown to the Council on a public hearing item become part of the records of the public hearing. Eleven collated sets of written or graphic materials should be provided by the speaker prior to the commencement of the hearing to allow for distribution to the Mayor and Council, key City staff, and a copy for the City Clerk to include in the public record of the hearing, whenever possible. Reduced copies (8 ½ x 11 or 8 ½ x 14) of large graphic

exhibits should be provided as part of the sets of materials for distribution to the Council, staff, and for the record. This requirement may be waived for signed petitions submitted by neighborhoods or other citizen groups, although these groups also are encouraged to provide eleven sets of petitions where possible.

GLENDALE CITY COUNCIL
COUNCIL MEETING RULES AND PROCEDURES

SECTION 1: RULES, PURPOSE AND EFFECT

1.1 The Council's meetings must be noticed and conducted in accordance with applicable open meetings statutes and other law.

1.2 These rules and procedures are adopted by the Council of the City of Glendale, under the Council's authority provided by the Charter and by law to determine its own rules, order of business, and to regulate the conduct of its meetings. Where not inconsistent with these rules and procedures, the current version of *Robert's Rules of Order* will be used as a supplementary guideline and general parliamentary procedure will be observed in the conduct of the Council's meetings.

1.3 The Mayor, or a majority of the council, may suspend strict observance of these rules and procedures and any applicable provision of *Robert's Rules* for the timely and orderly progression of the meeting.

SECTION 2: PRESIDING OFFICER

2.1 As provided by the City Charter, the Mayor, or in the Mayor's absence, the Vice-Mayor, is the presiding officer of the Council and will preside at all Council meetings.

2.2 The presiding officer will preserve order and decorum at all meetings of the Council to allow the orderly conduct of the business of the meeting and to provide persons in attendance with an interest in all agenda items to have an opportunity to have their item of interest duly considered by the Council, including a fair opportunity for interested persons to speak on public hearing items. Any decision by the Mayor on procedural matters in final, subject only to appeal to the whole Council as provided in *Robert's Rules.*

SECTION 3: ORDER OF BUSINESS

3.1 The order of business at regular meetings of the Council ordinarily will be as follows:

- Call to Order – Pledge of Allegiance
- Prayer/Invocation
- Approval of Minutes
- Boards and Commissions
- Proclamations and Awards
- Consent Agenda
- Consent Resolutions
- Public Hearing - Land Development Actions
- Land Development Actions

- Bids and Contracts
- Public Hearing- Ordinances
- Ordinances
- Public Hearing- Resolutions
- Resolutions
- New Business
- Request for Future Workshop and Executive Session
- Citizen Comments
- Council Comments and Suggestions
- Adjournment

3.2 The Mayor, or a majority of the Council, may decide to consider items out of sequence from the printed agenda for the meeting. The Council cannot act on any items not listed on the agenda unless an emergency exists.

3.3 The consent agenda matters are of a routine nature or matters which previously have been studied by the Council at a work session and may be adopted by one motion. Other than introduction of the items by the City Manager, there will be no discussion of separate items, unless members of the Council request that a specific item be discussed and considered separately.

3.4 Prayer/Invocation at Council Voting Meetings - In order to solemnize proceedings of the City Council, it is the policy of the City Council to allow for an invocation or prayer to be offered at its meetings for the benefit of the City Council and the community.

3.5 The following guidelines allow for an invocation, which may include prayer, reflective moment of silence, or short solemnizing message.

1. No member of the Council, employee of the City, or any other person in attendance at the meeting shall be required to participate in any prayer or invocation that is offered.

2. The prayer/invocation shall be voluntarily delivered by any person who has offered.

3. The speaker shall not receive compensation for his or her service.

4. No speaker shall proselytize or otherwise openly seek to promote certain aspects of doctrine or faith; openly advocate or campaign for conversion of individuals or groups; or openly advance any faith, belief, doctrine, or dogma. No prayer/ invocation shall disparage the religious faith or non-religious views of others.

5. It is recommended that the prayer/invocation be no more than two minutes in length.

The above guidelines are not intended, and shall not be implemented or construed in anyway, to affiliate the City Council with, nor express the Council's preference for, any faith or religious denominations. Rather, these guidelines are intended to acknowledge and express the City Council's respect for the diversity of both organized and unorganized religious denomination, as well as other faiths represented and practiced among the citizens of the City of Glendale.

3.6 Anyone violating of these guidelines is subject to disqualification from offering future prayers/invocations.

3.7 As adopted by Council, the City Council Meeting Rules and Guidelines state that the Mayor is the presiding officer of the meetings and as such:

> "**SECTION 2 – PRESIDING OFFICER**
>
> 2.1 As provided by the City Charter, the Mayor, or in the Mayor's absence, the Vice-Mayor, is the presiding officer of the Council and will preside at all Council meetings.
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Therefore, the Mayor shall advise the speaker that their time is up in order to keep with the orderly operation of the meeting.

3.8 In no event shall a speaker be scheduled to offer a prayer/invocation at consecutive meetings of the Council.

3.9 In no event shall a speaker offer the prayer/invocation more than three times in one fiscal year. Similarly, no speaker from the same denomination, faith or sect shall speak more times than three in one fiscal year.

3.10 Neither the Council nor staff shall engage in any inquiry, examination, restriction, review of, or involvement in, the content of any prayer to be offered.

3.11 In the event that there is no scheduled speaker to offer the prayer/invocation, the agenda shall include a Moment of Silence.

3.12 The following language shall be included on every agenda:

> "Any prayer/invocation that may be offered before the start of regular Council business shall be the voluntary offering of a private citizen, for the benefit of the Council and the citizens

present. The views or beliefs expressed by the prayer/invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker. A list of volunteers is maintained by the Mayor's office and interested persons should contact the Mayor's office for further information."

3.13 City officials should not give the impression that they are expressing an official City religion, are speaking on the City's behalf or that City residents attending the meeting are expected to participate in the prayer/invocation.

3.14 Process:

1. The Mayor's office will maintain a list of volunteers.

2. Volunteers will be able to sign up via the website, a hard copy request form also available on the website, or submitted in person to a representative of the Mayor's Office at 5850 West Glendale Avenue.

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CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**REQUEST TO HOLD A PUBLIC HEARING ON THE PROPOSED LAND USE ASSUMPTIONS AND INFRASTRUCTURE IMPROVEMENTS PLAN FOR THE CITY OF GLENDALE**
Staff Contact:	**Stuart Kent, Executive Director, Public Works**

Purpose and Recommended Action

This is a request for City Council to hold a public hearing on the proposed Land Use Assumptions and Infrastructure Improvements Plan for the City of Glendale.

Following this public hearing, city staff and TischlerBise will complete the final City of Glendale Land Use Assumptions and Infrastructure Improvements Plan that will be presented for adoption at the March 4, 2014 Special Voting meeting of the Glendale City Council.

Background

Development impact fees are one-time charges to developers that are used to offset capital costs resulting from new development that necessitate the expanding of existing facilities or the development of new facilities to serve growth in a municipality. The collection of these fees allows the municipality to provide the same level of service to the new growth in the community without shifting the cost of growth related projects to the existing residents. Historically, the city's Capital Improvement Plan (CIP) was the basis for impact fee calculations.

On April 26, 2011, Governor Brewer signed into law Senate Bill 1525 (SB1525) which dramatically changed how impact fees are calculated. The new state enabling legislation for development impact fees, Arizona Revised Statutes (ARS) 9-463.05 now requires three integrated products: 1) Land Use (LU) Assumptions for at least 10 years; 2) Infrastructure Improvements Plan (IIP); and, 3) Development Impact Fees (DIF). The *Draft Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees* report prepared by TischlerBise, the city's consultant, contains the three integrated products required by law for the City of Glendale DIF update.

Further, the new law requires a two-phase adoption process; the LU Assumptions and IIP must be reviewed, refined, and approved before focusing on development impact fees. As such, at the November 19, 2013 Workshop session, Council directed staff to hold a public hearing on the proposed LU Assumptions and IIP for Glendale. Following the Council Workshop session, the city provided notice of the January 28, 2014 public hearing in the Glendale Star and published the *Draft Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees* report on the main page of the city's website for public review.

The city also forwarded the *Draft Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees* report to the Home Builders Association of Central Arizona, the Arizona Multihousing Association, and the National Association of Industrial and Office Properties. On December 19, 2013, the city hosted a meeting with representatives from these groups to receive input on the proposed LU Assumptions and IIP prior to the public hearing.

The public hearing is to be held during the January 28, 2014 Council Voting meeting and provides a forum for public review and input on the proposed LU Assumptions and IIP and allows for changes to be made prior to the requested adoption at the March 4, 2014 Special Voting Meeting of the City Council.

Analysis

Land Use Assumptions

ARS 9-463.05(T)(6) requires the preparation of a LU Assumptions document which shows projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least 10 years and pursuant to the General Plan of the municipality. TischlerBise prepared current demographic estimates and future development projections for both residential and nonresidential development that will be used in the IIP and calculation of the development impact fees. Demographic data for FY 2013-14 (beginning July 1, 2013) are used in calculating levels-of-service provided to existing development in Glendale. Although long-range projections are necessary for planning infrastructure systems, a shorter time frame of five to 10 years is critical for the impact fees analysis. Due to the slow recovery from the Great Recession, TischlerBise used compound growth rates to produce conservative initial projections that increase over time. The LU Assumptions for Glendale are explained in Appendix C (pages 60 - 72) of the *Draft Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees* report.

Creation of Service Areas (Service Zones)

Service zones allow for impact fees that service a specific area to be differentiated from other parts of the community. Using service zones also recognizes that parts of the community may already have nearly all the infrastructure necessary to serve it and other areas of the city may still be early in their development and as a result, may need a greater level of infrastructure. Previously, the only impact fee zones the city had were for parks and recreation. All of the other categories had impact fees calculated for the city as a whole. Based on the anticipated growth areas and Council policy related to development west of 115 Avenue, three different zones are being recommended for certain categories such as Water and Transportation services. Service zones also restrict the usage of fees collected from that zone to be used only in that zone. The proposed zones for Glendale are explained in Appendix C (pages 63 and 64) of the *Draft Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees* report.

Infrastructure Improvement Plan

This update of Glendale's IIP and DIF includes the following necessary public services as listed below, and the IIP for each service can be found in the *Draft Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees* report on the indicated pages.

- Parks and Recreational Facilities (pages 12 – 17)
- Streets (pages 19 – 35)
- Police Facilities (pages 36 – 42)
- Fire Facilities (pages 43 – 49)
- Water Facilities (pages 50 – 53)
- Wastewater Facilities (54 – 57)

Glendale currently collects a development fee for library facilities but the recommendation of city staff is to suspend collection when the updated fees become effective July 31, 2014 (page 18).

The preliminary development impact fees shown in this draft study will be revised after receiving public input on the LU Assumptions and IIP.

Previous Related Council Action

At the November 19, 2013 Workshop, Council received an update on the DIF and was provided the *Draft Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees* report. Council provided direction to continue with the process and to hold a public hearing on January 28, 2014 to hear the LU Assumptions and IIP.

At the March 5, 2013 Workshop, Council received an update on the DIF and directed staff to implement a hybrid method of reviewing the IIP and any new or modified impact fees with the development community. The city will also contract for an independent, biennial certified audit of LU assumptions, IIP and the expenditure and collection of impact fees. The audit findings and report must be posted and reviewed at a public hearing within 60 days of their completion.

On May 22, 2012, Council authorized the City Manager to enter into a professional services contract with TischlerBise to update the city's DIF schedule and to develop the IIP.

On November 22, 2011, Council adopted the current version of development impact fees that were modified to be compliant with SB1525 and which took effect on December 31, 2011.

At the September 20, 2011 Workshop, Council was briefed on the potential impacts of SB1525 and directed staff to modify the existing development impact fees to ensure the city can continue to collect development impact fees in accordance with the new law.

Community Benefit/Public Involvement

The public will be provided an opportunity to comment during the January 28, 2014 public hearing. January 29th through March 3rd reflects the required 30-day waiting/consensus building period and allows for changes to be made to the draft LU Assumptions and IIP prior to requested adoption at the March 4, 2014 Special Voting Meeting.

On December 19, 2013, the city's Public Works Director and staff from TischlerBise met with representatives from the Home Builders Association of Central Arizona, the Arizona Multi-Family Housing Association and Valley Partnership. Comments from these associations focused on two primary issues: 1) the ability of the city to construct the facilities outlined in the IIP in the timeframe allowed; and, 2) whether municipalities are required to charge nonresidential development a fee for parks and recreation facilities. Historically, DIF for parks and libraries were not charged to nonresidential development. The city's consultant has proposed a cost allocation method that is being evaluated by stakeholders.

On November 26, 2013, the city provided notice of the January 28, 2014 City Council meeting and public hearing, and published the *Draft Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees* report on the main page of the city's website for public review. Further, a Notice of Public Hearing on the Land Use Assumptions and Infrastructure Improvements Plan was published in the November 28, 2013 publication of the Glendale Star. November 28th through January 27th reflects the required 60-day public notice/consensus building period prior to the public hearing on the proposed LU Assumptions and IIP for the City of Glendale.

Budget and Financial Impacts

As stated in ARS 9-463.05.A, a municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvements plan.

Attachments

None

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO APPROPRIATE FUNDS AND AWARD A CONSTRUCTION CONTRACT TO ACTION DIRECT, LLC FOR THE ROSE LANE AQUATICS CENTER BACKWASH DRAIN PROJECT**
Staff Contact:	**Erik Strunk, Executive Director, Parks, Recreation and Library Services**

Purpose and Recommended Action

This is a request seeking City Council approval to award a construction contract to Action Direct LLC, d.b.a. Redpoint Contracting, for the construction of a new backwash sewer connection at the Rose Lane Aquatics Center in an amount not to exceed $136,130.

Background

Based on a storm drain compliance audit conducted by the City of Glendale Environmental Services Program in calendar year 2012, the Parks, Recreation and Library Services Department (PRLS) was notified in early 2013 that the backwash system at the Rose Lane Aquatics Center is not in compliance with federal storm water discharge requirements and it would be necessary to make needed infrastructure corrections to the backwash system. The current backwash system flushes the pool water from the aquatics areas of Rose Lane, directly into the retention basin at Rose Lane Park. In order to mitigate this, it is necessary to construct a new drainage system from the aquatics center into an existing storm water drain located in 51st Avenue.

In March 2013, the PRLS worked with the Engineering Department to engage a firm to design a new backwash system to ensure compliance with Federal Regulations and initiate a formal Request for Proposals process. As the design work and construction cost estimates were not completed until early July 2013, there was no opportunity to approximate the cost in the Fiscal Year (FY) 2013-14 Capital Improvement Plan.

Analysis

In order to accommodate the opening of the Rose Lane Facility in time for the start of the summer swim season on June 7, 2014, it is necessary to commence construction as soon as possible. There are several variables that are to be taken into consideration in order to accomplish this:

- As the PRLS Department does not have the general operating fund capacity to pay for this project, it will need to use available FY 2013-14 CIP funds in an amount not to exceed $136,130 (CIP fund 2060). Because this project was not programmed into the FY 2013-14

department CIP and is funded through Fund 2060 contingency, it is necessary to seek City Council authorization to appropriate the funds.

- Per the City Charter, legal appropriation of the funds cannot occur until the fourth quarter of the current FY 2013-14 budget year (April 1 – June 30). Even so, it is necessary to move forward now and seek Council authorization to appropriate sufficient funds so that all construction can be completed by the beginning of the summer swim season.
- Approving this action will allow the construction to be completed prior to the start of the summer swim season.

Previous Related Council Action

The Rose Lane Aquatics Center was completely renovated in FY 2005-06 at a cost of $3,247,077.

Community Benefit/Public Involvement

The Rose Lane Aquatics Center backwash drain project is essential to maintaining compliance with Federal wastewater discharge requirements to ensure the general welfare of the public. The Parks and Recreation Advisory Commission was briefed on this project at its January 13, 2014 regular meeting and supports it.

Budget and Financial Impacts

This contract will be funded from a $136,130 budget appropriation transfer from Parks Construction, CIP Contingency, (2060-12010-510200) to Parks Construction, Aquatics Center Improvements, Improvements Other Than Buildings (2060-70545-550800). This transfer is consistent with the Cash and Budget Appropriation Transfer Policy adopted December 10, 2013.

Cost	Fund-Department-Account
$136,130	**2060-70545-550800, Parks Construction, Aquatics Center Improvements, Improvements Other than Buildings**

Capital Expense? Yes ☒ No ☐

Budgeted? Yes ☐ No X☒

Requesting Budget or Appropriation Transfer? Yes ☒ No ☐

If yes, where will the transfer be taken from?

Attachments

Agreement

Bid Tab

Project 121319

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Action Direct LLC, d.b.a. Redpoint Contracting, an Arizona limited liability company corporation, authorized to do business in Arizona ("Contractor") as of the _____ day of _____, 20__.

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 ninety (90) 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 $136,130, 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-contactors 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. 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.

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 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.

11.2 **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:

Action Direct LLC, d.b.a. Redpoint Contracting
Attn: Scott Mitchell
2233 West St. Exupery Court
Anthem, Arizona 85086

(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.

12. 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.

13. Entire Agreement; Survival; Counterparts; Signatures.

13.1 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.

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. 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 to applicable law.

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

14. 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.

15. **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

Project 121319

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

City of Glendale,
an Arizona municipal corporation

_____
By: Brenda S. Fischer
Its: City Manager

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

Action Direct LLC,
d.b.a. Redpoint Contracting,
an Arizona limited liability company

_____
By: Scott Mitchell
Its: Manager

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

Project 121319

EXHIBIT A
CONSTRUCTION AGREEMENT

PROJECT

Project includes: (1) Installation of approximately 318' of 12" sewer line, a 10" sewer vent, one manhole, and cleanouts, (2) All necessary underground utility location, coordination, and relocation, (3) All necessary sewer bypass pumping, approvals, and traffic control, and (4) All necessary landscape, pavement and other surface restoration.

Project 121319

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 $136,130.00

DETAILED PROJECT COMPENSATION

As shown on 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.

BID TABULATION

PROJECT# 121319 - ROSE LANE SEWER CONNECTION

OPENED AT THE CITY OF GLENDALE, ENGINEERING DEPARTMENT
5850 W. GLENDALE AVENUE, 3RD FLOOR

DATE: November 26, 2013 - 10:00 p.m.

	CONTRACTOR	BID BOND/ CHECK	ACKNOWLEDGE ADDENDUM	TOTAL BID
1	REDPOINT CONTRACTING	BB	*YES*	*$ 136,130.00*
2	STANDARD CONSTRUCTION COMPANY, INC.	BB	*YES*	*$ 137,675.00*
3	T & T CONSTRUCTION	BB	*YES*	*$ 145,076.50*
4	B & F CONTRACTING	BB	*YES*	*$ 148,905.00*
5	ASPHALT SERVICES OF ARIZONA	BB	*YES*	*$ 165,689.00*
6	CRUSH CONSTRUCTION, LLC	BB	*YES*	*$ 186,960.00*
7	KCCI, LLC	BB	*YES*	*$ 206,661.00*
8	GOLDSTEIN & LUERA	NON RESPONSIVE		
9				
10				

Engineers Estimate: $173,000.00

Time of completion for this project is ninety (90) consecutive days from and including the date of receipt of the notice to proceed.

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH CAROLLO ENGINEERS, INC. FOR ARROWHEAD RANCH WATER RECLAMATION FACILITY DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES**
Staff Contact:	**Craig Johnson, P.E., Executive Director, Water Services**

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into a professional services agreement with Carollo Engineers, Inc. in an amount not to exceed $4,318,380 for facility design and construction administration services for the Arrowhead Ranch Water Reclamation Facility (ARWRF).

Background

The ARWRF facility treats wastewater generated from the Arrowhead Ranch area. The facility was originally constructed in 1983 and has over the years undergone several renovations and improvements to remain in good working condition. On average, the ARWRF treats three million gallons of wastewater daily and produces high-quality reclaimed water used to maintain the Arrowhead lakes and associated landscaping.

Staff has identified the need to renovate and rehabilitate key wastewater treatment infrastructure because of age, reliability, high maintenance, and declining performance. The major infrastructure targeted for improvement include: clarifiers, tertiary filters, headworks, and odor control system.

A Request for Proposal was issued in August 2013 to hire a consultant to provide professional services related to the design and construction administration of all needed improvements. Two firms submitted proposals, and Carollo Engineers, Inc. was determined to be the most qualified.

Analysis

The city needs to be able to treat and process wastewater 24 hours a day, every day. There is a need to periodically rehabilitate the water reclamation facility infrastructure and equipment to ensure they are in good working condition. Major infrastructure renovations and improvements require an evaluation/design phase prior to construction. During construction, the city needs construction administration services to ensure the construction is done properly. This request is for the city to secure evaluation/design services and construction administration services. Once the evaluation and design phase is complete, a contractor will be selected for the construction

phase of the project. At that time, a construction agreement with the selected contractor will be brought forward to Council for approval.

Previous Related Council Action

On June 6, 2011, Council approved the award of bid for the Arrowhead Ranch Water Reclamation Facility Ultraviolet Disinfection System Upgrade.

On June 14, 2013, Council adopted a resolution formally approving the fiscal year (FY) 2013-14 operating, capital, debt service, and contingency appropriation budget, in which this project was identified as a planned project in the capital improvement plan.

Community Benefit/Public Involvement

This project will benefit the community by improving treatment processes and systems to ensure continuous compliance with regulatory requirements.

Budget and Financial Impacts

Funds are available in the FY 2013-14 Capital Improvement Project account.

Cost	Fund-Department-Account
$4,318,380	**2360-60007-550800, Arrowhead Water Reclamation Facility Improvements**

Capital Expense? Yes ☒ No ☐

Budgeted? Yes ☒ No ☐

Requesting Budget or Appropriation Transfer? Yes ☐ No ☒

If yes, where will the transfer be taken from?

Attachments

Agreement

PROFESSIONAL SERVICES AGREEMENT

Arrowhead Ranch Water Reclamation Facility Improvements
Study, Design and Construction Administration Services
Project No. 121337
January 6, 2014

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and Carollo Engineers, Inc., a Deleware corporation, authorized to do business in the State of Arizona,("Consultant") as of the _____ day of _____, 20 ("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**, Project (the "Project");

B. City desires to retain the professional services of Consultant to perform certain specific duties and produce the specific work as set forth in the attached **Exhibit B**, Project Scope of Work ("Scope");

C. Consultant desires to provide City with professional services ("Services") consistent with best consulting or architectural practices and the standards set forth in this Agreement, in order to complete the Project; and

D. City and Consultant desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel; Other Consultants and Subcontractors.

1.1 Professional Services. Consultant 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 consultants or contractors, retained by City.

1.2 Project Team.

a. Project Manager.

(1) Consultant 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 Consultant 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 Consultant will comprise the "Project Team."

(2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Consultant.

c. Discharge, Reassign, Replacement.

(1) Consultant acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in **Exhibit A**.

(2) Consultant will not discharge, reassign, replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Consultant, in which event the substitute must first be approved in writing by City.

(3) Consultant 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.

(1) Consultant may engage specific technical contractors (each a "Subcontractor") to furnish certain service functions.

(2) Consultant will remain fully responsible for Subcontractor's services.

(3) Subcontractors must be approved by the City.

(4) Consultant will certify by letter that all contracts with Subcontractors have been executed incorporating requirements and standards as set forth in this Agreement.

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. Consultant's Work.

3.1 Standard. Consultant must perform Services in accordance with the standards of due diligence, care, and quality prevailing among consultants 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. Consultant warrants that:

a. Consultant and its Subconsultants or Subcontractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and

b. Neither Consultant nor any Subconsultant or 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 Consultant's contracting ability.

(2) Consultant must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Consultant 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.

a. For projects that the City believes requires the coordination of various professional services, Consultant will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").

b. Consultant will meet to review the Project, Schedule and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.

c. For projects not involving Coordinating Project Professionals, Consultant 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 Work Product.

a. Ownership. Upon receipt of payment for Services furnished, Consultant grants to City, and will cause its Subconsultants or Subcontractors to grant to the City, the exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").

(1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.

(2) Consultant warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.

b. Delivery. Consultant will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.

c. City Use.

(1) City may reuse the Work Product at its sole discretion.

(2) In the event the Work Product is used for another project without further consultations with Consultant, the City agrees to indemnify and hold Consultant harmless from any claim arising out of the Work Product.

(3) In such case, City will also remove any seal and title block from the Work Product.

4. Compensation for the Project.

4.1 Compensation. Consultant's compensation for the Project, including those furnished by its Subconsultants or Subcontractors will not exceed $4,318,380 as specifically detailed in **Exhibit D** ("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 Consultant 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 Allowances. An "Allowance" may be identified in **Exhibit D** only for work that is required by the Scope and the value of which cannot reasonably be quantified at the time of this Agreement.

a. As stated in Sec. 4.1 above, the Compensation must incorporate all Allowance amounts identified in **Exhibit D** and any unused allowance at the completion of the Project will remain with City.

b. Consultant may not add any mark-up for work identified as an Allowance and which is to be performed by a Subconsultant.

c. Consultant will not use any portion of an Allowance without prior written authorization from the City.

d. Examples of Allowance items include, but are not limited to, subsurface pothole investigations, survey, geotechnical investigations, public participation, radio path studies and material testing.

4.4 Expenses. City will reimburse Consultant for certain out-of-pocket expenses necessarily incurred by Consultant 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 Consultant for review prior to the Agreement's execution, and which policies and procedures will be furnished to Consultant;

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 Consultant in connection with this Agreement will not exceed the "not to exceed" amount identified for Reimbursable Services in the Compensation.

5. Billings and Payment.

5.1 Applications.

a. Consultant 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 Consultant and its Subconsultants and Subcontractors; and

(2) Unconditional waivers and releases on final payment from all Subconsultants and 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. Consultant will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.

b. Consultant 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 Consultant fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

a. Consultant 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 Consultant for Services furnished, City will pay the amount due to Consultant, less City's damages, in accordance with the provision of Sec. 5.

b. If City's direct damages exceed amounts otherwise due to Consultant, Consultant must pay the difference to City immediately upon demand; however, Consultant will not be subject to consequential damages more than $1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Consultant 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. Consultant must obtain and maintain the following insurance ("Required Insurance"):

a. Consultant and Subconsultants and Subcontractors. Consultant, and each Subconsultant or 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 "Consultant's Policies"), until each Party's obligations under this Agreement are completed.

b. General Liability.

(1) Consultant 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) Subconsultants and Subcontractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least $4,000,000 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. Professional Liability. Consultant must maintain a professional errors and omissions liability policy providing a minimum limit of $1,000,000 for each claim and a $2,000,000 annual aggregate limit.

d. Auto. A business auto policy providing a liability limit of at least $1,000,000 per accident for Consultant and $1,000,000 per accident for Subconsultants and Subcontractors and covering owned, non-owned and hired automobiles.

e. Workers' Compensation and Employer's Liability. Consultant must also maintain a workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.

f. Notice of Changes. Consultant's Policies must provide for not less than 30 days' advance written notice to City Representative of:

(1) Cancellation or termination of Consultant's Policies;

(2) Reduction of the coverage limits of any of Consultant's Policies; and

(3) Any other material modification of Consultant's Policies related to this Agreement.

g. Certificates of Insurance.

(1) Within 10 business days after the execution of the Agreement, Consultant must deliver to City Representative certificates of insurance for each of Consultant's Policies, which will confirm the existence or issuance of Consultant's Policies in accordance with the provisions of this section, and copies of the endorsements of Consultant'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 Consultant's Policies, or to examine Consultant's Policies, or to inform Consultant, Subconsultant, or Subcontractor in the event that any coverage does not comply with the requirements of this section.

(3) Consultant's failure to secure and maintain Consultant's Policies and to assure Consultant's Policies as required will constitute a material default under the Agreement.

h. 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 Consultant'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 Consultant's professional liability coverages, 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 Subconsultants and Subcontractors.

a. Consultant must also cause its Subconsultants and Subcontractors to obtain and maintain the Required Insurance.

b. City may consider waiving these insurance requirements for a specific Subconsultant or Subcontractor if City is satisfied the amounts required are not commercially available to the

Subconsultant or Subcontractor and the insurance the Subconsultant or Subcontractor does have is appropriate for the Subconsultant or Subcontractor's work under this Agreement.

c. Consultant and Subcontractors must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

a. To the fullest extent permitted by law, Consultant 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 Consultant) and that arises out of or results from the breach of this Agreement by the Consultant or the Consultant's negligent actions, errors or omissions (including any Subconsultant or Subcontractor or other person or firm employed by Consultant), 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, Consultant will be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Consultant or of any person or entity for whom Consultant is responsible.

c. Consultant 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 Consultant, and on behalf of any Subconsultant or 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 Consultant, Subconsultant, or Subcontractor employee who performs work under this Agreement to ensure that the Consultant, Subconsultant or any Subcontractor is compliant with the warranty under this section.

9.4 City may conduct random inspections, and upon request of City, Consultant will provide copies of papers and records of Consultant demonstrating continued compliance with the warranty under this section. Consultant 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 Consultant agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Consultant and expressly accrue those obligations directly to the benefit of the City. Consultant also agrees to require any Subconsultant or 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 Consultant'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. Notices.

10.1 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.

10.2 Representatives.

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

Carollo Engineers, Inc.
Chad D. Meyer, P.E., Associate
4600 E. Washington St., Ste. 500
Phoenix, AZ 85034

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
c/o Bill Passmore, Principal Engineer
5850 W. Glendale Ave.
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 Consultant identifying the designee(s) and their respective addresses for notices.

d. Changes. Consultant 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.

11. 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.

12. Entire Agreement; Survival; Counterparts; Signatures.

12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Consultant 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.

12.2 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.

12.3 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.

12.4 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.

12.5 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.

12.6 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.

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

13. Term. The term of this Agreement commences upon the Effective Date and continues for a one year initial period. The City may, at its option and with the approval of the Consultant, extend the term of this

Agreement an additional one year, renewable on an annual basis. Consultant will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original or any renewal Agreement period. Price adjustments will only be reviewed during the Agreement renewal period. There are no automatic renewals of this Agreement.

14. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Consultant and City will be resolved in accordance with **Exhibit E**. The final determination will be made by the City.

15. **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	Schedule
Exhibit D	Compensation
Exhibit E	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

_____

By: Brenda Fischer
Its: City Manager

ATTEST:

_____

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

_____

Michael D. Bailey
City Attorney

Carollo Engineers, Inc.,
a Delaware corporation authorized to do
business in Arizona

_____

By: Robert A. Ardizzone
Its: Vice President

EXHIBIT A
Professional Services Agreement

PROJECT

(Cover Page)

EXHIBIT A

PROJECT DESCRIPTION

The following Scope of Services describes the engineering services to be provided by the Carollo Engineers/Black & Veatch team (ENGINEER) associated with the City of Glendale, Arizona (CITY) Arrowhead Ranch Water Reclamation Facility – Facility Improvements Study, Design, and Construction Administration Services project.

The ARWRF is located north of Union Hills Drive and west of Loop 101 and treats wastewater from a tributary area located in the northern part of the City. The current treatment plant permitted capacity is 4.5 million gallons per day (mgd) average annual daily flow (AADF). The plant provides tertiary treatment to incoming municipal wastewater. The treatment plant's current AADF is approximately 3.0 mgd. The plant effluent is delivered using either the outer loop effluent pipe to effluent lakes in Arrowhead Ranch residential development or into the aquifer through adjacent recharge wells within the premises of the ARWRF and three other recharge wells at "Oasis." The ARWRF utilizes a three-train conventional activated sludge, biological nutrient removal (BNR) aeration system including anoxic zones, followed by six rectangular clarifiers to provide for secondary treatment. The secondary clarifiers are equipped with HDPE chain and flight sludge collectors. Four of the clarifier's sludge collection systems use two shared motor drives, each drive serving a pair of two adjacent clarifiers. The ARWRF utilizes DynaSand™ continuous backwash, upflow filters for tertiary filtration, and a Trojan 3000+ UV system for disinfection. The ARWRF is permitted for and classified as an Arizona Department of Environmental Quality (ADEQ) A+ Reclaimed Water Facility.

The purpose of the following Scope of Services structure is to provide the CITY with the benefit of a comprehensive assessment and subsequent improvement recommendation "list" for the items being evaluated. For each of the evaluation items, preliminary costs will be defined, and the CITY will have the most current and relevant information available to them to assist with the future decision-making associated with the ARWRF. The overall Scope of Services includes the following services as designated by the Series 100 – 700 Work Breakdown Structure:

- Series 100 – Project Administration and Management
  Overall project management, develop meeting agenda, facilitate project meetings, cost control and project monitoring, schedule development, cash flow, develop subconsultant agreements and perform subconsultant management, and overall project administration.
- Series 200 – Facility Evaluation and Design Concept Development
  Perform data collection, review the existing ARWRF studies, overall facility evaluation, treatment process and capacity evaluation, Headworks, Tertiary Filtration, Secondary Clarifier, Odor Control, and Support Facility evaluations, Recommended Plant Improvement Alternative development, and Design Concept Report (20% Design)
- Series 300 – Detailed Design
  Develop a Design Document Development Plan, Basis of Design (30% Design) Report, 60%/90%/Final Design Submittal Packages, Agency Review and Permitting Assistance, and Design Coordination with the CMAR.
- Series 400 – Construction Administration
  Perform Construction Administration and Inspection Services, Substantial and Final Completion Inspection, and preparation of Construction Drawings of Record.
- Series 500 – Start-Up and Warranty Period Services
  Perform project Start-Up and two-year "on-call" (as needed) Warranty Services.
- Series 600 – SCADA and PLC Configuration Services

Perform a Plant-wide Electrical System Vulnerability Analysis, Control System Equipment Standardization and Migration, perform SCADA Upgrades and Database Maintenance, and develop a summary SCADA and PLC Configuration Services technical memorandum.

- Series 700 – Miscellaneous Services
  Develop Allowance tasks for subconsultant services, Scope of Service items that are not able to be fully defined at this time, reimbursable and other direct costs, and miscellaneous services utilizing an Owners Contingency ($250,000) for additional items that are requested and items/issues that were unknown or unforeseen at the time of developing this Scope of Services.

The list of project needs generally consists of the following items:

- Regulatory Requirements: Develop a Technical Memorandum (TM) in Series 200 that summarizes existing regulatory requirements and identifies potential future regulatory requirements that may impact the plant.
- Plant Process Evaluation: Review the previously developed ARWRF process and hydraulic models and the existing report on plant capacity. Update the models and utilize them to perform the overall plant evaluation and support planning and design of the Headworks, Filters, Secondary Clarifiers, and Odor Control systems.
- Headworks: Evaluate and subsequently design the operation and physical condition of the Headworks, including the influent channels, isolation gates, comminutor mounting bracket, Parshall flume, ventilation, odor control, screening, grit removal, and ancillary items to determine if the recommended improvement strategy for the Headworks is replacement in its entirety, or rehabilitation. Evaluate the demolition of the existing Oxidation Ditch for future land use, if a new headworks facility is to be constructed.
- Tertiary Filtration: Study, evaluate, and design the replacement of the DynaSand™ filters (CITY may leave DynaSand™ filters in place at their discretion). Master Plan the replacement footprint using the existing Traveling Bridge Filter to allow filter configuration, future process rehabilitation, future process upgrades, and an operational procedure that will allow the removal of a treatment train from service for maintenance.
- Secondary Clarifiers: Evaluate and subsequently design the electrical, and control, systems of the clarifiers and develop preliminary and final design for full replacement of the systems, including new conductors, new controls, internal equipment, and the Motor Control Center (MCC).
- Plant-Wide Odor Control Systems: Evaluate and subsequently design the condition and operation of the existing odor control systems and make a recommendation for replacement or rehabilitation. Utilize the findings from the Plant Process Evaluation to assist the operations staff in developing strategies to lower the operations and maintenance (O&M) costs associated with the Odor Control systems.
- Splitter Box No. 1: Rehabilitate the concrete and possibly add mechanical mixers to replace the air mixing.
- Secondary Clarifiers No. 1 to No. 4: Split the dual drives into single drives.
- Splitter Box No. 2: Rehabilitate the concrete if necessary, modify SB No. 2 to reduce the flow to Clarifier No. 1, and possibly add flow metering to each Clarifier influent pipe to control and regulate flow to the Secondary Clarifiers.
- Evaluate separating some of the major treatment processes onto both the "back-up" 2000 Amp and "primary" 3000 Amp ARWRF main services to decrease plant vulnerability and increase operational flexibility and redundancy.
- Provide SCADA (Supervisory Control and Data Acquisition) and PLCs (Programmable Logic Controllers) programming associated with the newly designed and constructed systems (Headworks, Tertiary Filtration, Secondary Clarifiers, and Odor Control).
- Secure a Significant Amendment to the ARWRF Aquifer Protection Permit (APP).
- Evaluate replacing the waste activated sludge (WAS) pumps and include preliminary and final design efforts for pump replacement, mechanical, and electrical support facilities.
- Evaluate a maximum of three bypass strategies for the end-of-the-line ARWRF plant.

- Evaluate replacing the existing "back-up" 2000 Amp service at the ARWRF with a 3000 Amp service to match the "primary" 3000 Amp service.
- Evaluate the requirements for upgrading outdated networking equipment including VFDs, valve actuators, PLCs, and other equipment as required. Evaluate upgrading outdated SCADA screens and trending packages to the CITY's latest iFix software package including clean up of the existing database.
- Evaluate the plant-wide electrical system and define vulnerabilities that should be corrected.
- Install a redundant Non-Potable Water (NPW) pump in the plant and install a Variable Frequency Drive (VFD) to match the existing NPW pump.

EXHIBIT B
Professional Services Agreement

SCOPE OF WORK

(Cover Page)

EXHIBIT B

SCOPE OF SERVICES

The Scope of Services was formatted in the following Work Breakdown Structure to identify individual work activities that will be monitored using computerized project management techniques. The overall project was divided into several Series, with each Series delineated by several service elements (Tasks). Service elements may be further subdivided into subtasks.

SERIES 100 PROJECT ADMINISTRATION AND MANAGEMENT SERVICES

- Task 101 – Project Management Plan
- Task 102 – Project Schedule
- Task 103 – Project Progress Meetings (Evaluation and Design)
- Task 104 – Project Control and Reporting
- Task 105 – Cash Flow
- Task 106 – Subconsultant Agreements and Management

ENGINEER will perform the following project management and monitoring activities through all phases of the project (Series 200 - 600), as delineated in the following tasks.

Task 101 – **Project Management Plan**

Description: This Task develops a detailed Project Management Plan (PMP), which is a Project Notebook in a three-ring binder, with the following tabs:

- Project Description / Introduction
- Project Team – Client, Engineer, Subconsultants, and CMAR Contact Information
- Scope of Services
- Labor Hour Budgets
- Schedule
- Monthly Progress Reports
- Project Work Order Numbers
- Communications Protocol
- Quality Management
- Project Risk Management
- Project Resources
- Meeting Notes
- Decision Log

The ENGINEER will submit a draft PMP for CITY review and approval. Once the PMP is approved, the ENGINEER will submit six (6) copies of the PMP for the CITY's use. The ENGINEER will also distribute copies of the PMP to key team members as a project management tool. The ENGINEER will be also required to maintain a copy of the PMP updated for the CITY, which will be handed over to the CITY at the end of the Project.

Task 102 – **Project Schedule**

Description: ENGINEER will develop and maintain a progress schedule during the Evaluation and Detailed Design phases of the project. The schedule will be developed in MS Project format. Each activity of the approved Scope of Services will be incorporated into the schedule. Project timelines, along with identification of project milestones, will be provided in Gantt format. The Schedule will include both the original baseline and actual progress. The

project Schedule will be updated and distributed quarterly at the Project Update Meetings through to the completion of the Series 300 design activities. The Construction Manager at Risk (CMAR) will be responsible for the Construction Baseline Schedule.

The ENGINEER will prepare a significant event calendar within fourteen (14) days of the written Notice to Proceed (NTP). The initial schedule will show the original start date with initial completion date as a reference. One copy of the original overall schedule with original timeline and data dates will be submitted at the project Kick-Off meeting. Additionally, minimum general time frames for project milestones will be provided. The ENGINEER will update the schedule monthly during Series 200 and 300 to keep it current showing comparison with the baseline/target schedule. The updated schedule report will be submitted with the monthly invoice. If requested by the CITY, the ENGINEER will also provide a detailed "Construction Phasing" plan.

Task 103 – **Project Progress Meetings (Evaluation and Design)**

Description: ENGINEER will hold and facilitate monthly project meetings (by conference call) if necessary, to maintain the project budget and schedule during the Evaluation and Detailed Design phases of the project. Agendas will be submitted to the CITY at least two (2) days before the meeting. Draft meeting minutes will be submitted to the CITY for review no more than seven (7) days following each meeting. Agendas and final meeting minutes will be transmitted to meeting attendees by email in PDF format.

Project Progress Meetings under the Series 200 – 300 efforts will include:

103.1 Progress Meetings: ENGINEER will conduct twenty-one (21) monthly meetings (by conference call) with CITY representatives throughout the Evaluation and Design phases to keep the CITY informed of the project progress, and obtain input and direction as required for outstanding project issues. A firm day and time will be established at the project Kick-Off Meeting for all progress meetings. The location of meetings (for Glendale staff) will be the ARWRF conference room unless the specific topic to be addressed warrants a change of venue. Before each meeting, ENGINEER will prepare all relevant information to be discussed including, a project schedule update as noted in Task 102 and a list of action items and their status for discussion. ENGINEER will capture CITY-approved decisions through meeting minutes, to be distributed to the meeting participants by email in PDF format for review and approval. Following receipt of comments by the CITY, ENGINEER will prepare final minutes for distribution in the same manner.

NOTE: Construction Progress Meetings corresponding to Series 400 activities have been delineated in Task 401.1 – Representation on Behalf of the City.

103.2 Partnering Meetings: ENGINEER will conduct two (2) partnering meetings with the CITY and CMAR, at the inception of the Task 302 (Basis of Design 30% design) services and at the start of construction.

Task 104 – **Project Control and Reporting**

Description: ENGINEER will provide monthly progress reports and invoices throughout the duration of the project as follows:

104.1 Monthly Progress Reports: ENGINEER will develop and submit to the CITY monthly progress reports that identify the following:

- Work completed since the previous report.
- Project status, including scheduled and actual percent completion for the major tasks.
- Dates of anticipated milestones and/or deliverables in the upcoming month.

104.2 Monthly Invoices: The ENGINEER will submit a projection of monthly project billings with the fee proposal. The projected billings will be consistent with the project tasks, the project schedule, and the fee proposal. **Invoices will be delivered to the City's Project Manager no later than the 25th day of the month.** The invoices will be consistent with the project tasks, project schedule, fee proposal, and projected billings. The invoice will identify the contract number and include the amount of each work task and consultant service identified in the approved fee proposal. The percent complete shall be determined by the project schedule, tasks, and fee proposal per tasks. The total invoice submitted shall be less than or equal to the task percent complete with the associated cost. The ENGINEER will submit one hard copy invoice to Bill Passmore, P.E., Project Manager, City of Glendale Engineering Department, 5850 West Glendale Avenue - Suite 315, Glendale, Arizona 85301.

Invoices will be submitted with a copy of the monthly progress report, and will include:

- Total contract amount
- Total percent complete (% complete by Task from Progress Report)
- Total earned to date
- Less previous billings
- Total earned this period
- Amount remaining
- Total amount due

Task 105 – **Cash Flow**

Description: The ENGINEER will develop a quarterly cash flow schedule that will provide information regarding future funds needed to complete the project. The ENGINEER will collect or estimate the cash flow information from all the parties involved with the project (e.g., design subconsultants and CMAR, etc.) and will combine this information using the "Cash Flow" workbook provided by the CITY and send it electronically to Gloria Olaya (golaya@glendaleaz.com)) with the Engineering Department.

Task 106 – **Subconsultant Agreements and Management**

Description: The ENGINEER will prepare and coordinate the necessary subconsultant agreements required for the project, and will coordinate and manage the subconsultants throughout the course of the project accordingly.

Deliverables: The deliverables for Series 100 – Project Administration and Management Services include:

- Project Management Plan
- Project Schedule/Updates
- Monthly Project Reports (42)
- Monthly Invoices (42)
- Monthly Progress Meeting – Agendas and Minutes (21)
- Quarterly Cash Flow Schedule (14)

SERIES 200 FACILITY EVALUATION AND DESIGN CONCEPT DEVELOPMENT SERVICES

- Task 201 – Data Collection
- Task 202 – Review Existing ARWRF Studies
- Task 203 – Infrastructure and Existing Treatment Facilities Evaluation
- Task 204 – Treatment Process Evaluation and Assessment
- Task 205 – Plant Capacity Evaluation and Assessment

- Task 206 – Headworks, Filtration, Secondary Clarifiers, and Odor Control Evaluation and Assessment
- Task 207 – Plant-Wide Electrical System Vulnerability Analysis
- Task 208 – Support Facilities
- Task 209 – Recommended Plant Improvement Alternatives
- Task 210 – Design Concept Report (20% design)

At the completion of Series 200, the Technical Memoranda (TMs) that were developed for each task will be collectively submitted as part of the DCR. To the fullest extent possible, the CITY will provide all available data, reports, and information that could supplement the efforts of the DCR.

Task 201 – **Data Collection**

CITY will provide to the ENGINEER, as available, all relevant information that will aid in the progress of the project. This includes, but is not limited to, technological reports, geotechnical reports, topographical surveys, property legal descriptions, ARWRF As-Built (Record) drawings, historical influent flow, loading, and odor control data and current flow, loading, and odor control data.

Wastewater Flow and Characteristics

201.1 Evaluate Flow Projections. ENGINEER will coordinate with CITY to review the historical plant flow, loading data, and planned growth estimates to determine if the current flow projections for the ARWRF are accurate.

201.2 Establish Design Peaking Factor. ENGINEER will validate the peaking factors established for the ARWRF.

201.3 Review Water Quality Analytical Data. ENGINEER will collect and review available influent water quality analytical data provided by the CITY, associated with the ARWRF, to establish anticipated influent water quality. Constituents of interest include:

- 5-Day Biochemical Oxygen Demand (BOD) (filtered and unfiltered)
- Chemical Oxygen Demand (COD) (filtered and unfiltered)
- Total Suspended Solids (TSS)
- Total Dissolved Solids (TDS)
- Total Kjeldahl Nitrogen (TKN)
- Ammonia-Nitrogen (NH_3-N)
- Nitrate-Nitrogen (NO_3-N)
- Alkalinity (as $CaCO_3$)
- Oil and Grease

201.4 Wastewater Sampling Plan. If sufficient information is not available to allow the ENGINEER to determine the anticipated influent quality (with required certainty), the ENGINEER will develop a Wastewater Sampling Plan (and corresponding costs associated with the Sampling Plan) to support Task 201.4. Laboratory fees (if the tests cannot be run at the City of Glendale laboratory) will be paid by the ENGINEER and submitted for payment under Series 700 - Miscellaneous (Owner's) Contingency.

201.5 Establish Design Water Quality Concentrations And Loadings. Based on the data collected in previous tasks for the ARWRF Facility Improvements, ENGINEER will establish the design water quality concentrations and loadings.

201.6 Collect Historical Plant Odor Data: ENGINEER will collect the historical plant odor data to establish past and current issues with the headworks, filtration, and odor control systems and summarize the solutions that were implemented by ARWRF staff. Treatment data will be reviewed and evaluated for trends to give an overall look at the past performance of the headworks, filtration, and odor control systems.

201.7 **Deliverables:** The deliverables for Task 201 – Data Collection will be a TM that summarizes the information collected in Task 201.

Task 202 – **Review Existing ARWRF Studies**

202.1 Review Existing ARWRF Studies

Description: The ENGINEER will review existing documentation available from the CITY relative to previous engineering studies, models, projections, and design documents relative to the ARWRF. This may include, but not be limited to:

- Engineering Studies
- ARWRF Plant Pilot-tests
- Hydraulic or Process Models
- Conceptual and Detail Design Documents
- As-Built (Record) Drawings

After review of the existing ARWRF literature, the ENGINEER will request any additional documents required to thoroughly evaluate the conditions of the plant/processes before beginning development of the DCR.

Task 203 – **Infrastructure and Existing Treatment Facilities Evaluation**

203.1 Site Assessment Document Review: The ENGINEER will review existing documentation available from the CITY relative to the assessment of the site for new building construction and area planning. This may include, but not be limited to:

- Drainage Report
- Archeological Investigation
- Phase I Environmental Site Assessment

If after reviewing the existing site assessment documents, the ENGINEER determines additional testing (potholing, excavation etc.) is required to assess the conditions of the site, they will summarize the additional testing and submit a plan to the CITY for review and approval. No level of effort or costs associated with performing the additional site assessment or testing is included in the Scope of Services or Fee Proposal.

203.2 Existing Treatment Facilities Evaluation:

The ENGINEER will visually review the physical condition of the ARWRF treatment facilities including; the Headworks, Filters, Secondary Clarifiers, the Odor Control System (see Task 206), and the Electrical Systems (see Task 207), and document their condition. Any design information for the referenced facilities will be made available from the CITY relative to the structure evaluation. This may include, but not be limited to:

- Detailed Design Drawings
- As-Built (Record) Drawings

Design Calculations

- Materials Testing Records (if available)
- Maintenance Logs or Records

After the initial review of the facilities condition, the ENGINEER will recommend any additional work or testing efforts (non-destructive concrete testing, x-rays and core sampling etc.) required to further assess the existing facilities before completion of the design. No level of effort or costs associated with the additional condition assessment work is included in the Scope of Services or Fee Proposal.

203.3 **Deliverables:** The deliverables for Task 203 – Infrastructure and Existing Treatment Facilities Evaluation will be a TM that summarizes the information collected in Task 203 and recommendations on plant structures and facilities requiring structural rehabilitation and estimated construction costs for those improvements.

Task 204 – **Treatment Process Evaluation and Assessment**

204.1 Computational Fluid Dynamics (CFD) Modeling of Secondary Clarifiers: ENGINEER will perform CFD modeling on the clarifiers where the sludge collectors are experiencing solids carryover. The results of the modeling will identify a solution that will reduce the solids load to the filters.

204.2 Biological Process Modeling: ENGINEER will update the existing plant process model. Using the updated process model, the ENGINEER will evaluate the biological processes to determine if there are any treatment efficiencies (lower chemical, O&M, or electrical costs) to be gained by adjusting operational parameters. The ENGINEER will perform a process audit to lower chemical, O&M, and electrical expenditures.

Liquid Stream Design Criteria Validation

204.3 Review Design Criteria of ARWRF Treatment Processes: ENGINEER will review previous efforts including any previous Technology Assessment Reports, Basis of Design Reports for ARWRF, and other existing CITY documents regarding the main ARWRF treatment processes (headworks, influent pump station, aeration basin, secondary clarifiers, filters, and disinfection systems).

ENGINEER will perform an assessment of the design criteria for each main unit process with respect to the ability to meet anticipated permits, flow, loading, and/or site requirements to produce Class A+ quality effluent, as well as a preliminary assessment of the capital and O&M costs for each alternative considered. Evaluation will be limited to the main treatment systems as noted above.

204.4 Design Criteria Development: ENGINEER will work with the CITY to develop final design criteria for the treatment process alternatives evaluated in Task 204.3.

204.5 Process Peer Review: ENGINEER will perform an internal QA/QC peer review of the Task 204.3 treatment process evaluation.

204.6 **Deliverables:** The deliverables for Task 204 – Treatment Process Evaluation and Assessment will be a TM that summarizes the information collected and identifies a list of upgrades necessary along with priority and anticipated timeline. These upgrades will serve as part of the basis of this project Scope and be utilized to develop the Task 209 – Recommended Plant Improvement Alternatives (and subsequently Task 210 – Design Concept Report) deliverables for the ARWRF. The information developed in Task 204 will also include suggestions on plant process operational changes, recommended treatment process improvements to reduce vulnerability, and increase redundancy, and provide additional operational flexibility.

Task 205 – **Plant Capacity Evaluation and Assessment**

205.1 Update Plant Hydraulic Model to Estimate Rated/Actual Treatment Capacity: ENGINEER will update the existing ARWRF plant process/hydraulic model to estimate the actual rated treatment capacity of the ARWRF and identify "pinch points" in the process train.

205.2 Identify Potential Future Regulatory Requirements and Effect on Treatment Capacity: ENGINEER will identify potential regulatory requirements that may be promulgated or be considered for implementation and determine their potential impact on the ARWRF.

205.3 **Deliverables:** The deliverables for Task 205 – Plant Capacity Evaluation and Assessment will be a TM that summarizes the information collected in Task 205.

Task 206 – **Headworks, Filtration, Secondary Clarifiers, and Odor Control Evaluation and Assessment**

This Scope of Services includes Structural, Geotechnical, Architectural, Mechanical, Electrical, Instrumentation and Control, and Programming services (including power needs assessment), and support discipline services required for the "recommended improvements" design effort as developed in Task 209. Evaluation of structural conditions will be limited to the existing headworks, Splitter Boxes, and Traveling Bridge Filter facilities. Concrete will be reviewed using the basis of a cost analysis/benefit ratio of repair versus full replacement.

The ENGINEER has included design services for full replacement of the existing headworks facilities in this Scope of Services to establish a Series 300 budget. The evaluation and recommendation for rehabilitation or replacement for the existing headworks facilities will be made as part of the Series 200 – Facility Evaluation and Design Concept Development Services.

The preliminary concept for the new Tertiary Filtration system will be to have a cloth media system housed within the existing infrastructure (Traveling Bridge Filter) at the ARWRF. The Series 300 budget is based initially on this assumption.

The ENGINEER has included design services for Secondary Clarifier improvements to include; clarifiers No. 1 to No. 4 - split the dual drives into single drives, evaluate the electrical, and control, systems of the clarifiers and develop preliminary and final design for full replacement for the electrical, and control systems, including new conductors, new controls, internal equipment, and the MCC.

The ENGINEER has included design services for full replacement of the existing Odor Control facilities in this Scope of Services. The Series 300 budget is based on this initial assumption. The evaluation and recommendation for rehabilitation or replacement for the existing Odor Control facilities will be made as part of the Series 200 – Facility Evaluation and Design Concept Development Services.

206.1 Evaluate and Assess ARWRF Headworks: The headworks will be evaluated and assessed for structural deterioration, operational reliability, past performance, estimated future performance, quality, functionality, economy, O&M costs, replacement cost, and other parameters. The results will be presented in a Headworks and Tertiary Filter Evaluation and Assessment Criteria Workshop (approximately a four (4) hour meeting). The principal section of the Evaluation and Assessment of the Headworks is:

- Headworks System Replacement Study to determine the cost-to-benefit of replacement versus rehabilitation or retrofitting of the existing system.

206.2 Evaluate and Assess the Tertiary Filtration Systems: The tertiary filtration systems will be evaluated and assessed for structural deterioration, operational reliability, past performance, estimated future performance, quality, functionality, economy, O&M costs, replacement cost, and other parameters. The

results will be presented in a Headworks and Tertiary Filtration Evaluation and Assessment Criteria Workshop. The principal section of the Evaluation and Assessment of the Tertiary Filtration systems is:

- Tertiary Filer Replacement Study to determine the cost-to-benefit of replacement versus rehabilitation or retrofitting of the existing system.

206.3 Evaluate and Assess the Secondary Clarifier System: The secondary clarifier system will be evaluated and assessed for structural deterioration, operational reliability, past performance, estimated future performance, quality, functionality, economy, O&M costs, replacement cost, and other parameters. The results will be presented in a Secondary Clarifier and Odor Control System Evaluation and Assessment Criteria Workshop (approximately a four (4) hour meeting). The principal sections of the Evaluation and Assessment of the Secondary Clarifier systems are:

- Clarifiers No. 1 to No. 4 - split the dual drives into single drives, evaluate the electrical, and control, systems of the clarifiers and develop preliminary and final design for full replacement for the electrical, and control systems, including new conductors, new controls, internal equipment, and the MCC.

206.4 Evaluate and Assess the Odor Control Systems: The odor control system will be evaluated and assessed for structural deterioration, operational reliability, past performance, estimated future performance, quality, functionality, economy, O&M costs, replacement cost, and other parameters. The results will be presented in an Secondary Clarifier and Odor Control Evaluation and Assessment Criteria Workshop. The principal section of the Odor Control Evaluation and Assessment of the Odor Control system is:

- Evaluation of the Existing Odor Control System to determine the cost-to-benefit of rehabilitation or retrofitting of the existing system.

206.5 Identify Headworks System Improvement Alternatives: ENGINEER will use the summarized findings from the evaluation and assessment of the headworks and make recommendations as to replacement or rehabilitated (retrofit) systems and technology selection for the detailed design. A maximum of three alternatives will be developed for replacement and process configuration, and weighted decision matrices will be developed for the CITY to review. Selection criteria will be weighted and Improvement Alternatives agreed to at the workshops noted in Task 206.9.

206.6 Identify Tertiary Filtration Improvement Alternatives: ENGINEER will use the summarized findings from the evaluation and assessment of the tertiary filtration system and make recommendations as to replacement or rehabilitated (retrofit) systems and technology selection for the detailed design. A maximum of three alternatives (including non-cloth media filtration) will be developed for replacement and process configuration, and weighted decision matrices will be developed for the CITY to review. Selection criteria will be weighted and Improvement Alternatives agreed to at the workshops noted in Task 206.9.

206.7 Identify Secondary Clarifier Improvement Alternatives: ENGINEER will use the summarized findings from the evaluation and assessment of the secondary clarifiers and make recommendations as to replacement or rehabilitated (retrofit) systems for the detailed design. A maximum of three alternatives will be developed for replacement and process configuration, and weighted decision matrices will be developed for the CITY to review. Selection criteria will be weighted and Improvement Alternatives agreed to at the workshops noted in Task 206.10.

206.8 Identify Odor Control System Improvement Alternatives: ENGINEER will use the summarized findings from the evaluation and assessment of the odor control system and make recommendations as to replacement or rehabilitated (retrofit) systems and technology selection for the detailed design. A maximum of three alternatives will be developed for replacement and process configuration, and weighted

decision matrices will be developed for the CITY to review. Selection criteria will be weighted and Improvement Alternatives agreed to at the workshops noted in Task 206.10.

206.9 Headworks and Tertiary Filtration Improvements Alternatives Workshop: ENGINEER will schedule and hold a workshop (4 hours) to develop a weighted decision matrix and selection of the recommended improvement alternative for the ARWRF Headworks system and the ARWRF Tertiary Filtration System. The recommended headworks improvement alternative will be included in the weighted decision matrix will be used for evaluating the two (2) Improvement Alternatives developed in Task 209.2 and scoring them to determine the final Recommended ARWRF Facility Improvement Alternative concept for further development in the DCR (Task 210). The recommended filtration improvement alternative will be included in the weighted decision matrix will be used for evaluating the two (2) Improvement Alternatives developed in Task 209.2 and scoring them to determine the final Recommended ARWRF Facility Improvement Alternative concept for further development in the DCR (Task 210).

206.10 Secondary Clarifier and Odor Control System Improvements Alternative Workshop: ENGINEER will schedule and hold a workshop (4 hours) to develop a weighted decision matrix and selection of the recommended improvement alternative for the ARWRF Secondary Clarifier system and the plant-wide Odor Control Systems. The recommended secondary clarifier improvement alternative will be included in the weighted decision matrix will be used for evaluating the two (2) Improvement Alternatives developed in Task 209.2 and scoring them to determine the final Recommended ARWRF Facility Improvement Alternative concept for further development in the DCR (Task 210). The recommended odor control improvement alternative will be included in the weighted decision matrix will be used for evaluating the two (2) Improvement Alternatives developed in Task 209.2 and scoring them to determine the final Recommended ARWRF Facility Improvement Alternative concept for further development in the DCR (Task 210).

Deliverables: The deliverables for Task 206 – Headworks, Filtration, Secondary Clarifiers, and Odor Control Evaluation and Assessment will be TMs that are developed for each of the four principal project components to summarize the information collected in Task 206 and will form part of the basis of the Recommended Plant Improvement Alternatives selected in Task 209.

Task 207 – **Plant-Wide Electrical System Vulnerability Analysis**

207.1 Collect Historical Plant Electrical Data: The ARWRF MCC, Switchgear, and portions of the plant-wide electrical system have reached the end of their useful design life. Under Task 207, the ENGINEER will collect the historical plant electrical usage, maintenance, repair, and cost data to establish past and current issues with the MCC, Switchgear, and plant-wide electrical systems. The evaluation will be based on current code requirements, age of equipment, proper functionality, and maintenance experience. The usage, maintenance, repair, and cost data will be reviewed and compared against new technologies (systems) currently available as upgrades to the existing system.

207.2 Evaluate and Assess MCC, Switchgear, and Electrical Systems: The MCC, Switchgear, and plant-wide electrical systems will be evaluated and assessed for obsolescence, deterioration, operational reliability, past performance, estimated future performance, quality, functionality, economy, O&M costs, replacement cost, and other parameters. The results will be presented as part of an Evaluation and Assessment Criteria Workshop. The principal sections of the Evaluation and Assessment of the MCC, Switchgear, and plant-wide electrical system are:

(1) MCC Replacement - replacement of the MCC at the secondary clarifiers.

(2) Evaluate the electrical, and control, systems of the clarifiers and develop preliminary and final design for full replacement for the electrical, and control systems, including new conductors, new controls, and internal equipment.

(3) Evaluate replacing the existing "back-up" 2000 Amp service at the ARWRF with a 3000 Amp service to match the "primary" 3000 Amp service and separate some of the major treatment processes onto both services to decrease plant vulnerability and increase operational flexibility and redundancy.

207.3 Identify MCC, Switchgear, and Electrical System Improvement Alternatives: ENGINEER will use the summarized findings from the evaluation and assessment of the MCC, Switchgear, and plant-wide electrical systems and make recommendations as to replacement or rehabilitated (retrofit) systems for the detailed design. Several alternatives will be developed for replacement and weighted decision matrices will be developed for the CITY to review. Selection Criteria will be weighted and Improvement Alternatives agreed to at a Selection Workshop in Task 209.

Deliverables: The deliverables for Task 207 – Plant-Wide Electrical System Vulnerability Analysis will be a TM that is developed to summarize the information collected in Task 207 and will form part of the basis of the DCR in Task 213. No Series 300, 400, or 500 level of effort or compensation have been included for items undergoing evaluation in Task 207.

Task 208 – **Support Facilities**

208.1 Review Required Supporting Facilities: ENGINEER in conjunction with the CITY, will identify, and evaluate proposed supporting facilities for the ARWRF. Support buildings will be designed based on the 4.5 mgd build-out condition. Supporting facilities will include the following:

- Electrical power requirements for the ARWRF Facility Improvements
- Maintenance requirements.
- Utility systems; air, potable, and non-potable water and gas.
- Chemical systems.
- Instrumentation and control philosophy and architecture.
- Fire protection.
- SCADA, PLC and Other Control Requirements

208.2 Utility Coordination: ENGINEER will coordinate with applicable utilities and agencies for availability and requirements pertaining to natural gas (if available and required), power, telephone, etc. for the ARWRF Facility Improvement Project.

208.3 Design Criteria Development: ENGINEER will develop applicable preliminary design criteria for proposed supporting facilities.

208.4 **Deliverables:** The deliverables for Task 208 – Support Facilities, will be a TM summarizing the Support Facilities design information for all of the Task 208 efforts. Comments solicited from the CITY will be incorporated into the Final DCR in Task 210.

Task 209 – **Recommended Plant Improvement Alternatives**

209.1 Determine Conceptual Design and Technical Criteria (Workshop): ENGINEER will schedule and hold a workshop to refine the preliminary design concept and technical criteria for plant operational procedures to define the plant improvement concept. The criteria will be used for comparison of the Improvement Alternative solutions developed in Task 209.2.

209.2 Summarize Identified ARWRF Facility Improvement Alternatives: ENGINEER will summarize the findings from Tasks 201 through 208 and identify two (2) potential overall ARWRF Facility Improvement Alternative solutions that will meet the needs of the CITY as determined from the Conceptual Design and Technical Criteria developed in Task 209.1.

209.3 Construction Cost Estimate for ARWRF Facility Improvement Alternatives: ENGINEER will develop order of magnitude construction cost estimates for the two (2) potential ARWRF Facility Improvement Alternative solutions that were identified in Task 209.2. These cost estimates will be used in the weighted decision matrix in Task 209.4.

209.4 Develop Weighted Decision Matrix (Workshop): ENGINEER will schedule and hold a workshop (same Workshop as referenced in Task 209.1) to develop a weighted decision matrix for the prioritization of the recommended improvements, preliminary design concept, initial technical criteria, and recommended alternative construction costs that were determined in Tasks 209.1 through and 209.3. The weighted decision matrix will be used for evaluating the two (2) Improvement Alternatives developed in Task 209.2 and scoring them to determine the final Recommended ARWRF Facility Improvement Alternative concept for further development in the DCR (Task 210). The weighted decision matrix will also rank/prioritize the remaining improvements that are outside the four principal project components.

209.5 **Deliverables:** The deliverables for Task 209 – Recommended Plant Improvement Alternatives will be all that is developed to summarize the information collected in Tasks 201 - 208 and will form the basis of the DCR in Task 210.

Task 210 – **Design Concept Report (20% Design)**

The ENGINEER will proceed with the Design Concept Report (DCR), Basis of Design Report (BDR), and Detailed Design efforts under the assumption that the project budget will support the replacement or rehabilitation recommendations made in the DCR. The ENGINEER has prepared this Scope of Services based on the understanding that the list of recommended improvements (basis of the items to be developed under Series 300 – Detailed Design) for the project will be agreed to, and finalized, at the Design Concept Report (DCR – 20% Design) stage.

The ENGINEER will conduct a review workshop (approximately two weeks after the submittal of the DCR) to define and solidify an ARWRF Facility Improvements design concept and criteria (Subtask 209.1) for use in the development of the final DCR. It is anticipated that the workshop for the DCR will require four (4) hours. The ENGINEER will prepare an agenda for the DCR review workshop.

The workshop will build on work previously performed at the ARWRF and the findings of Tasks 201 - 208. The results of the workshop will be summarized in meeting minutes. The following workshop topics are anticipated:

- Regulatory Issues, CITY Objectives, Design Concept and Criteria
- Headworks Improvements Concept
- Filtration Improvements Concept
- Secondary Clarifier and Electrical Equipment Concept
- Odor Control Improvements Concept
- Support Facilities Improvement Concept
- Electrical System, SCADA, and "Additional Evaluation" Facility Improvements

The ENGINEER will prepare an opinion of probable construction cost for the Design Concept Report (20% design) based on the ENGINEER's opinion, experience, and judgment only. ENGINEER will evaluate the CMAR cost model at each detailed design milestone. This evaluation will be thorough enough to determine whether the cost

model accurately reflects the cost of construction. The ENGINEER cannot, and does not guarantee that future proposals, final GMP, or actual project construction costs will not vary from the pre-final cost estimates prepared by the CMAR. The ENGINEER has no control over cost of labor, materials, equipment, or services furnished by others, or over the CMAR's construction means or methods, competitive bidding or market conditions, practices, or bidding strategies.

At the completion of Task 209, the TMs prepared in Tasks 201 – 209 will be collectively submitted as the DCR. To the fullest extent possible, the CITY will provide all available data, reports, and information that could supplement the efforts of the DCR.

210.1 **Deliverables:** The deliverables for Task 210 will be a DCR submitted as "Draft" for review, then "Final" once all CITY review comments/suggestions are received at the "DCR Review Workshop" and implemented. The ENGINEER will summarize the TMs developed in Tasks 201 through 208 into a Design Concept Report. The DCR will contain an Executive Summary of the findings of each TM. The DCR will identify the Recommended ARWRF Facility Improvement Alternative (the complete list of items to be improved for the project construction budget) to the CITY based on the weighted decision matrix developed in Task 209.4. The Recommended ARWRF Facility Improvement Alternative concept will be the basis of the 20% Design drawings developed in the DCR. A revised order of magnitude construction cost estimate will be prepared for the Recommended ARWRF Facility Improvement Alternative concept including possible construction phasing scenarios to meet anticipated CITY Capital Improvement Plan budgets.

SERIES 300 DETAILED DESIGN

- Task 301 – Basis of Design (30% Design)
- Task 302 – Basis of Design Report (30% Design)
- Task 303 – Detailed Design (60% Submittal)
- Task 304 – Detailed Design (90% Submittal)
- Task 305 – Detailed Design (Final Submittal)
- Task 306 – Agency Review/Permitting Assistance
- Task 307 – Design Submittal Review Workshops
- Task 308 – Design Coordination With CMAR

The detailed design services will include a multi-discipline design approach, as described by the following. Detailed drawings, specifications, and typical details will be developed for each discipline as follows:

Drawings: Design drawings will be two-dimensional (2-D) in AutoCAD or Micro-Station (per CITY preference) format, with content as defined herein. Full-size drawings will be 22-inch by 34-inch, and electronic copies of drawings will be provided on CD, with interim submittals in PDF format and final submittal in AutoCAD/Micro-Station format.

Technical Specifications: Technical specifications will be developed to set the special conditions and technical requirements for construction of the Project. Specifications will be based on the 16-Division format of the Construction Specifications Institute (CSI), and developed in ENGINEER's standard formats. Specifications will be in MS Word format, printed double-sided on 8-1/2-inch by 11-inch paper, and bound into book volumes. Electronic copies of specifications in both MS Word and PDF file formats will also be provided on CD.

For the basis of this Scope, it was assumed that the front-end specification (Division 0 and 1) requirements will be based on the City of Glendale Supplemental General Conditions, which will be supplemented by the Engineers Joint Contract Documents Committee (EJCDC) General Conditions.

Typical Details: ENGINEER will develop and compile "typical" or "standard" details to supplement the design drawings. Typical details will be in ENGINEER's standard format and/or the CITY's standard format, compiled and presented on 8-1/2-inch by 11-inch paper and bound into book volumes up through the 90% design submittal, upon which they will be transferred onto design drawings for inclusion into the 90% and Final sets of Contract Drawings. Typical detail callouts on design drawings will be identified by applicable typical detail number.

Task 301 – **Basis of Design (30% Design)**

NOTE: The Scope of Services for the Detailed Design Phase (300 Series) tasks presented herein is based on a Construction Manager at Risk (CMAR) method of project delivery.

The ENGINEER will conduct a series of tasks in preparation for the development of the Basis of Design and the Basis of Design Report (BDR) for the ARWRF. A one-day (1 day) Design CAMP® (see Task 301.6) will precede these tasks and build on work previously performed during the design concept for the ARWRF site. The results of the Design CAMP® will be summarized in meeting minutes and included in the BDR. To the fullest extent possible, the CITY will provide all available data, reports, information, etc., that could supplement the efforts of the preliminary design.

CITY will provide a single point of contact for returning review comments to the ENGINEER. CITY will provide comments on proposed design concepts in a timely fashion to facilitate overall project schedule, including but not limited to processes, design criteria, numbering systems, electrical and controls system architecture, materials, equipment, allowable manufacturers, and/or design features.

301.1 Develop Tag Number Scheme: ENGINEER will work with the CITY Wastewater O&M Group to develop and submit a preliminary "tag numbering" scheme for equipment, valves, and field instrumentation, for review and approval by the CITY. Tag numbering scheme will include equipment, valve, or instrument letter abbreviations and numerical identifiers. Discussions with the CITY regarding any necessary coordination with other established CITY facility tag numbering or comprehensive system-wide monitoring requirements will also be included. The ENGINEER will also include the information from the update to the SCADA Standards Document.

301.2 Codes and Standards Review: ENGINEER will conduct one (1) pre-review meeting with representatives from the various CITY Departments including Engineering, Building, Planning, and Fire Departments to discuss codes and standards requirements. ENGINEER will prepare an agenda and any necessary supporting materials before meeting, and will prepare and distribute minutes following meeting.

301.3 Summarize Applicable Codes and Standards. ENGINEER will review and summarize the most current key codes and standards as they apply to the detailed design efforts. The CITY will provide direction on the appropriate edition of codes for use on the Project. The most current version of the following codes and standards will likely be included in this effort (with applicable CITY amendments):

- International Building Code
- International Mechanical Code
- Uniform Plumbing Code
- National Electric Code
- Uniform Fire Code, Article 80 - Hazardous Materials
- National Fire Protection Association (NFPA) 820 - Fire Protection in WWTPs
- Instrument Society of America (ISA)
- Illuminating Engineering Society (IES) of North America
- Life Safety Code (NFPA 101)

- Americans with Disabilities Act (ADA)
- International Fire Code

301.4 Site Documentation and Identification (Topographic Survey): ENGINEER will perform a site topographical survey of the ARWRF site to the level and limits required to provide area planning. Existing aerial mapping will be used to establish site contours if necessary. Field survey will be used to identify and/or confirm horizontal locations and vertical elevations of existing facilities on the site. Vertical control will be based on CITY dictated datum. The topographical survey will not include the location and establishment of perimeter property lines based on existing legal descriptions and available survey reviews. No permanent horizontal and vertical control benchmarks will be established on-site. Temporary benchmarks using the CITY control will be set for identification of aboveground structures, buildings, facilities, channels, manholes, power poles, access roads, and other identified utility pole, box, or structure. Staked geotechnical borings will be supplied if required for design. ENGINEER will not perform a native plant inventory of the site before construction.

301.5 Develop Area Plan Site Layout: ENGINEER will review and develop a proposed area plan site layout of treatment process, based on the DCR developed in Task 210 through the project timeline. Site layout for liquid and solid stream components will identify the following:

- Existing facilities at the site
- Setback requirements at build-out on all sides of property.
- General flow stream layout and unit process locations. Details of arrangement of equipment to be located within various buildings and facilities are addressed under subsequent Detailed Design (300 Series) phases.

Any Master Planning of the site is limited to within the plant boundaries and involves area planning of the plant footprint. Identifying future improvements and developing a capital program is beyond the scope of this project. All landscape design activities are limited to the areas of disturbance caused by the ARWRF Facility Improvements project. The site footprint planning will be based on a 4.5 mgd ultimate build-out facility.

301.6 Basis of Design CAMP®: ENGINEER, CITY, and concerned parties will participate in a one-day Design CAMP®. The Design CAMP® will build on work previously performed during the DCR to develop the basis of design for the ARWRF site. The results of the Design CAMP® will be summarized and documented in meeting minutes and included as the foundation of the BDR. To the fullest extent possible, the CITY will provide all available data, reports, information, etc., that could supplement the efforts of the preliminary design.

Task 302 – **Basis of Design Report (30% Design)**

Basis of Design Report (30% Design): The BDR (30% Design) submittal will be in accordance with the proposed Schedule presented in **Exhibit C**, and will consist of the following:

302.1 30% Design Drawings: ENGINEER will produce 30% design drawings and submit to the CITY as part of the BDR for review and comment at the BDR (30% Design) review workshop (see Task 307.1). The BDR review workshop will also act as the Value Engineering workshop at this design milestone.

302.2 30% Design Specifications: ENGINEER will develop a list (table of contents) of technical specifications expected for the Project. The list of specifications will be arranged in tabular format by CSI Division and be included as part of the BDR.

302.3 30% Design Typical Details: ENGINEER will develop a list of typical details expected for the project and include the list as part of the BDR. The list of "typical details" will be arranged in tabular format by discipline.

302.4 30% BDR Quality Assurance/Quality Control: the ENGINEER's quality management team will peer review the 30% Design BDR for consistency with the project design and design intent. ENGINEER's quality management team will provide internal comments to the ENGINEER's design team and PM for incorporation into the 30% Design BDR submittal.

302.5 30% CMAR Cost Model Review: ENGINEER will review the CMAR's 30% Cost Model for consistency with the project design and design intent. ENGINEER will provide comments to the CITY for review with the CMAR.

302.6 Basis of Design Report (30% Design): The BDR will be submitted as "Draft" for review, then "Final" once all CITY review comments/suggestions are implemented. The ENGINEER will summarize the work developed in Tasks 303 into a BDR. The BDR will contain an Executive Summary of the findings. The BDR will identify the design criteria and parameters associated with the Recommended ARWRF Facility Improvement Alternative to the CITY as developed in Task 209. A revised order of magnitude construction cost estimate will be prepared for the BDR

Task 303 – **Detailed Design (60% Submittal)**

ENGINEER will perform a detailed design in accordance with the design concepts set forth in the DCR (Task 210) and BDR (Task 302.6).

60% Design Submittal: The 60% design submittal will be scheduled in accordance with the proposed deliverable schedule presented in **Exhibit C**, and will consist of the following. ENGINEER will also provide a copy of the 30% design (BDR) comment log to the CITY with the 60% review submittal. Control descriptions will also be substantially complete and provided to the CITY as part of the 60% design specification submittal

303.1 60% Design Drawings: ENGINEER will produce six (6) half-size sets of the 60% design drawings and submit to the CITY for review and comment at the 60% design review workshop (Task 308.2). The 60% design drawing submittal will incorporate applicable comments provided by the CITY at the BDR (30% Design) review workshop.

303.2 60 % Specifications: ENGINEER will produce six (6) sets of the 60% design specifications and submit to the CITY for review and comment at the 60% design review workshop.

303.3 60% Typical Details: ENGINEER will compile and develop the "typical details" expected for the project. The "typical details" will be presented in book format (8-1/2-inch x 11-inch) for ease of review. The ENGINEER will produce six (6) sets of the 60% design typical details and submit to the CITY for review and comment at the 60% design review workshop.

303.4 60% Design Quality Assurance/Quality Control: the ENGINEER's quality management team will peer review the 60% Design package for consistency with the project design and design intent. ENGINEER's quality management team will provide internal comments to the ENGINEER's design team and PM for incorporation into the 60% Design submittal package.

303.5 60% CMAR Cost Model Review. ENGINEER will review the CMAR's 60% Cost Model for consistency with the project design and design intent. ENGINEER will provide comments to the CITY for review with the CMAR.

Task 304 – **Detailed Design (90% Submittal)**

90% Design Submittal: The 90% design submittal will be in accordance with the proposed Schedule in **Exhibit C**, and will consist of the following items. ENGINEER will also provide a copy of the 60% design submittal comment log to the CITY with the 90% design submittal.

304.1 90% Design Drawings. The ENGINEER will produce fifteen (15) sets of the 90% design drawings. Five (5) sets of the drawings will be submitted to the CITY for review and comment at the 90% design review workshop. The 90% design drawings are to include applicable updates from the 60% design submittal drawing set, including the incorporation of applicable comments provided by the CITY at the 60% submittal review workshop (Task 307.2), as well as the inclusion of the "typical details" onto drawings.

Six (6) sets of the full-size plans and specifications will be for submission to the City of Glendale Community Development Department (COGCD) for code compliance review. Agency review sets will be sealed and stamped with "FOR AGENCY REVIEW ONLY - NOT FOR CONSTRUCTION" or similar note.

All applicable departmental review fees will be paid for by the ENGINEER through Series 700 – Miscellaneous Services. For the basis of this Scope of Services, it is assumed that two (2) COGCD submittals will be required. The initial submittal of six (6) sets to COGCD will be followed by a re-submittal of six (6) sets with incorporation of response to comments for final approval.

Four (4) sets of the full-size plans and specifications will be for submission to the Maricopa County Environmental Services Department (MCESD) for code compliance review. Agency review sets will be sealed and stamped with "FOR AGENCY REVIEW ONLY - NOT FOR CONSTRUCTION" or similar note. All applicable agency review fees will be paid for by the ENGINEER through Series 700 - Miscellaneous Services.

304.2 90% Specifications. ENGINEER will produce fifteen (15) sets of the 90% design specifications. Five (5) sets will be submitted to the CITY for review and comment at the 90% design review workshop. The 90% design submittal will incorporate CITY comments from the 60% submittal review workshop.

Six (6) sets of the specifications will be for submission to the COGCD and four (4) sets will be sent to the MCESD for code compliance review. Agency review sets will be sealed and stamped with "FOR AGENCY REVIEW ONLY - NOT FOR CONSTRUCTION" or similar note.

304.3 90% Design Quality Assurance/Quality Control: the ENGINEER's quality management team will peer review the 90% Design package for consistency with the project design and design intent. ENGINEER's quality management team will provide internal comments to the ENGINEER's design team and PM for incorporation into the 90% Design submittal package.

304.4 90% CMAR Cost Model Review. ENGINEER will review the CMAR's 90% Cost Model for consistency with the project design and design intent. ENGINEER will provide comments to the CITY for review with the CMAR.

Task 305 – **Detailed Design (Final Submittal)**

Final Design Submittal: The Final design submittal will be in accordance with the proposed Schedule presented in **Exhibit C**, and will consist of the following:

305.1 Final Design Drawings. ENGINEER will finalize, seal, and submit fifteen (15) copies of all design drawings in the appropriate format within thirty (30) days following receipt of all review comments provided by the CITY, COGCDD, Maricopa County, and other review agencies. The Final design drawing

submittal will incorporate agency review comments, as well as applicable comments provided by the CITY at the 90% submittal review workshop (Task 308.3). Electronic copies of final drawings in AutoCAD (or Microstation) format will also be provided on CD. The ENGINEER shall anticipate one round of comments from COGCDD before the drawings and specifications are approved. ENGINEER will be responsible for approval of the final drawings by the permitting agencies.

305.2 Final Specifications. ENGINEER will finalize, seal, and submit fifteen (15) copies of all technical specifications in the appropriate format within thirty (30) days following receipt of all review comments provided by the CITY, COGCDD, Maricopa County, and other review agencies. The Final design specification submittal will incorporate the agency review comments, as well as applicable comments provided by the CITY at the 90% submittal review workshop. Electronic copies of technical specifications in MS Word format will also be provided on CD.

305.3 Final Design Quality Assurance/Quality Control: the ENGINEER's quality management team will peer review the Final Design package for consistency with the project design and design intent. ENGINEER's quality management team will provide internal comments to the ENGINEER's design team and PM for incorporation into the Final (100%) Design submittal package.

305.4 Final CMAR GMP Review. ENGINEER will review the CMAR's Final GMP for consistency with the project design and design intent. ENGINEER will provide comments to the CITY for review with the CMAR.

Task 306 – **Agency Review / Permitting Assistance**

The ENGINEER will not review the effluent management strategies (including emergency discharge requirements) to determine potential permitting requirements in this Scope of Services. The ENGINEER has not included level of effort or compensation for any permitting activities outside of the ADEQ APP amendment, Maricopa County Environmental Services Department (MCESD) ATC/AOC and Air Quality Permit, or the City of Glendale Building Department permit.

306.1 Administrative Requirements: ENGINEER will hold a pre-meeting with the following agencies to summarize anticipated administrative permitting requirements (or amendments) for the site and accompanying facilities, and will acquire copies of all relevant permit applications. Contacts will include the following:

- ADEQ
- MCESD

306.2 Glendale Community Development Department and City of Glendale Engineering Department Meeting: ENGINEER will conduct one (1) pre-application meeting with representatives of the COGCDD and Engineering Department. ENGINEER will develop and submit a pre-application site plan submittal as required before attendance at the pre-application meeting. ENGINEER will prepare an agenda and any necessary supporting materials before meeting, and will prepare and distribute minutes following meeting.

306.3 Permit Application Assistance: ENGINEER will coordinate with the applicable administrative agencies for the preparation and submittal of permit applications (or permit amendments). Permit applications or permit amendments will be submitted to the CITY for review and approval. The ENGINEER will prepare and submit all completed applications to agencies on the CITY's behalf. The ENGINEER will be responsible for the initial "permit application submittal fees" and will be compensated under Series 700 - Miscellaneous Services. The CITY will pay for the remaining permit review fees directly. The ENGINEER will review agency comments from each of the initial permit submittals, as applicable, and will prepare

response(s) on behalf of the CITY. Potential permits for application may include some (or all) of the following:

- Significant Amendment to the ARWRF Aquifer Protection Permit (APP)
- City of Glendale Building Permit
- MCESD Air Quality Permit
- MCESD Approval to Construct and Approval of Construction

306.4 MCESD Approval to Construct / Approval of Construction: ENGINEER will work with the CITY to complete and submit an MCESD Approval to Construct permit (and subsequent Approval of Construction efforts) application. All initial permit application fees will be the responsibility of the ENGINEER who will be compensated for those fees under Series 700 - Miscellaneous Services. Permit review fees will be the responsibility of the CITY and paid for directly.

306.5 Regulatory Plans: ENGINEER will develop a Hazardous Materials Management Plan (HMMP) as a draft single-volume report entitled "Hazardous Materials Management Plan" (HMMP) for the ARWRF process improvement components designed as part of this Contract. The HMMP will be submitted to the CITY for review and approval. Upon receipt of comments, ENGINEER will submit a final plan to the CITY for distribution.

Task 307 – **Design Submittal Review Workshops**

ENGINEER will conduct the following submittal review workshops in accordance with the proposed Schedule presented in **Exhibit C**. The CITY will participate in the workshops and provide review comments at that time. Review workshop minutes will be recorded by ENGINEER and distributed to the CITY by email in a PDF format within one (1) week following each workshop. Following each review workshop, ENGINEER will compile CITY comments into a "Comments/Change Log" for sign-off by the CITY and ENGINEER. The Submittal Review Workshops will include both Constructability and Operability reviews.

307.1 Basis of Design Report (30% Design) Review Workshop: ENGINEER will conduct a half-day (4 hour) submittal review workshop following the BDR submittal to the CITY. ENGINEER will develop a log of the CITY'S review comments and submit with 60% design review submittal.

307.2 60% Submittal Review Workshop: ENGINEER will conduct a one-day (1 day, or two half-days) submittal review workshop following the 60% design submittal to the CITY. ENGINEER will develop a log of the CITY'S review comments and submit with 90% design review submittal.

307.3 90% Submittal Review Workshop: ENGINEER will conduct a one-day (1 day, or two half-days) submittal review workshop following the 90% design submittal to the CITY. ENGINEER will develop a log of CITYS' review comments and submit with Final "back check" submittal.

Task 308 – **Design Coordination with CMAR**

The CITY will be adding a CMAR to the design partnership (CITY, ENGINEER, and CMAR) at the 30% Design milestone (BDR development). The ENGINEER will be responsible for design coordination with the CMAR team. The ENGINEER's level of effort to coordinate with the CMAR shall generally consist of:

- Solicit CMAR Input During Design Development
- Provide Information For Cost Estimating
- Provide Input For the Construction Phasing Plan and Schedule
- Provide Assistance With Long-Lead Procurement Activities
- Evaluate Alternative Systems Suggested by the CMAR

- Respond to Constructability Review Comments by the CMAR
- Prepare any Design Change Addenda as Required
- Assist and Review During Cost Model and GMP Development
- Perform Cost Model and GMP Proposal Review and Prepare Recommendation to the CITY
- Assist CITY With Review of the Subcontractor/Supplier Bid and Selection Process

The CITY has stated they intend to issue two contracts with the CMAR; one during pre-construction services and one GMP for the CMAR to proceed with construction. The ENGINEER will perform the Task 308 efforts during both of the CMAR contracts. If the project is split into multiple GMPs, the ENGINEER will have the right to negotiate a Change Order for the Task 308 services.

SERIES 400 CONSTRUCTION ADMINISTRATION

- 401 – Construction Administration Services
- 402 – Construction Inspection Services
- 403 – Substantial and Final Completion Inspection
- 404 – Construction Drawings of Record

The following section of the Scope of Services describes the engineering services associated with the Construction Administration and Inspection effort for the ARWRF Facility Improvements project. The Scope of Services is based on the CITY'S selection of the Construction Management at Risk (CMAR) project delivery methodology. This Scope of Services is based on the project being designed and constructed in a single phase and only one cost model being prepared at each design milestone. The CMAR will take over all cost estimating responsibilities from the preparation of their 30% design cost model. ENGINEER will prepare an independent cost estimate at the DCR (20% Design) and Basis of Design Report (BDR - 30% Design) milestones.

Task 401 – **Construction Administration Services**

The Construction Administration Phase services as defined herein are based on the following assumptions:

1. The anticipated construction period will be a total of twenty-one (21) months for the ARWRF Facility Improvements project, from CMAR Notice to Proceed.
2. The ENGINEER will furnish a full-time, on-site Resident Project Representative (RPR) during the construction activities on the four principal treatment plant components (Headworks, Filters, Secondary Clarifiers, and Odor Control systems).
3. Commissioning consultation or other related services on portions of the ARWRF outside of the facilities updated under the Facility Improvements Project are excluded.

401.1 Representation on Behalf of the City. The ENGINEER will consult with and advise CITY and act as its representative during construction. The extent and limitations of the duties, responsibilities and authority of ENGINEER as assigned herein shall not be modified, except as ENGINEER may otherwise agree in writing. All CITY instructions to Contractor(s) will be issued through ENGINEER who will have authority to act on behalf of CITY to the extent provided in this scope of services except as otherwise provided in writing.

ENGINEER will not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) (unless otherwise specified in the construction contract documents) or the safety precautions and programs associated with the work of Contractor(s).

ENGINEER will make site(s) visits appropriate for the size of Project and type of construction at periods appropriate to the various stages of construction to inspect, as an experienced and qualified professional,

the progress and quality of the executed work of Contractor(s) and to determine if such work is proceeding in accordance with the Contract Documents.

ENGINEER's efforts shall be directed toward providing a greater degree of confidence for CITY that the completed work of Contractor(s) will conform to the Contract Documents, but ENGINEER will not be responsible for the failure of Contractor(s) to perform the work in accordance with the Contract Documents.

On the basis of on-site examination of materials, equipment, and workmanship, ENGINEER will keep CITY informed of the progress of the work, will endeavor to guard CITY against defects and deficiencies in such work and will disapprove or reject work failing to conform to the Contract Documents. This task shall include the following items:

(1) Conduct Preconstruction Conference: the ENGINEER will conduct a preconstruction conference. At the conference, the ENGINEER will identify field services to be provided by the ENGINEER and discuss appropriate coordination procedures. The ENGINEER will prepare an agenda for the meeting and will prepare and distribute the meeting minutes. The ENGINEER's Resident Project Representative (RPR) will conduct the meeting.

(2) Provide Construction Administration, Quality Assurance, And Coordination: the ENGINEER will provide construction administration and quality control services during the course of construction to assure that the overall technical correctness of the construction phase services and that specified procedures are being followed and that schedules are being met. The ENGINEER will provide coordination functions during the construction phase as follows:

   (a) Hold coordination meetings with the CITY representative and other City staff as appropriate

   (b) Coordinate with regulatory and approving agencies and utilities as required

   (c) Coordinate the work of specialty subconsultants assigned to the Project

   (d) Verify Contractor's Material Safety Data Sheets (MSDS) are on file at the job site

(3) Provide Project Documents: The ENGINEER will maintain and provide the following detailed project records and documentation during the construction phase: The Project records shall include correspondence, schedules, submittals, test data, project data, payments, change orders, meeting minutes, clarifications, mark-ups of drawings and specifications, control system documentation, status reports and other such documentation. Project records shall be delivered to the CITY's representative upon completion of the construction contract.

401.2 Responses to RFIs: ENGINEER will render interpretation and responses necessary for the proper execution and progress of the Work at the ARWRF site on written request of either the CITY or the CMAR, and submit written responses to the CITY's representative accordingly. Responses will be provided within five (5) working days upon receipt by the ENGINEER, or as agreed to by the CITY. ENGINEER will render all interpretations or decisions in good faith and in accordance with the requirements and intent of the Contract Documents. ENGINEER will not transmit any interpretations or clarifications directly to the CMAR. For the basis of this Scope of Services, the total number of anticipated RFI's per Task 401.2 is one-hundred and twenty (120). If these quantity values are significantly exceeded (greater than 20 percent), the ENGINEER reserves the right to negotiate a contract Change Order with the CITY.

401.3 Design Clarifications. ENGINEER will render Design Clarifications necessary for the proper execution or progress of the Work at the ARWRF site on written request of either the CITY or CMAR, and submit written responses to the CITY's representative accordingly. Responses will be provided within fifteen (15) working days upon receipt by the ENGINEER, or as agreed to by the CITY. ENGINEER will render all interpretations or decisions in good faith and in accordance with the requirements and intent of the Contract Documents. ENGINEER will not transmit any clarifications directly to the CMAR. For the basis of this

Scope of Services the total number of anticipated Engineer's Clarifications per Task 401.3 is thirty (30) if these quantity values are significantly exceeded (greater than 20 percent), the ENGINEER reserves the right to negotiate a contract Change Order with the CITY.

401.4 Change Order Reviews: ENGINEER will review major change order requests from the CMAR and provide opinion on the appropriateness of the change order request, in accordance with the Contract Documents. ENGINEER will provide written summary of opinion of change order request and submit to CITYS' representative accordingly. The total number of anticipated major change orders for review and action per Task 401.4 is anticipated to be ten (10) if these quantity values are significantly exceeded (greater than 20 percent), the ENGINEER reserves the right to negotiate a contract Change Order with the CITY. Minor changes in the day-to-day work will be the responsibility of the project's Resident Project Representative, and will be coordinated with the ENGINEER and CITY during construction progress meetings.

401.5 Technical Submittal Reviews: ENGINEER will review and process the ARWRF Facility Improvements related equipment and material submittals (i.e. samples, schedules, shop drawings, test results, product data, and other data) that the CMAR is required to submit for conformance with the Contract Documents.

MOPO Plan Submittals: ENGINEER will review CMAR's various Maintenance of Plant Operations (MOPO) plan submittals and provide written comments to CITY relative to any identified design-related impacts or conflicts. ENGINEER will also participate in the development of MOPOs, including attendance at MOPO meetings.

CMAR Start-up and Testing Plan Submittals: ENGINEER will review CMAR's Start-Up and Testing Plan submittals for compliance with the Contract Documents, and provide written comments to CITY relative to any identified design-related impacts or conflicts. A meeting will be held (in lieu of one Monthly Progress Meeting) to review and discuss the Start-Up and Testing Plan submittals.

Vendor O&M Manual Submittals: During the course of the Work, ENGINEER will verify that the various certificates, Operations and Maintenance (O&M) manual updates, and other data required for assembly and furnished by CMAR are applicable to the items actually installed. ENGINEER will set up an index system, utilizing standard size, and type binders with a manual numbering system that corresponds to the established index system. ENGINEER will check each manual submitted for completeness, for conformance to the design concept of the project, and for conformance with the Contract Documents.

The CMAR's submittals will be stamped appropriately to indicate results of the ENGINEER's review. Such review will determine the suitability of the CMAR's proposed details for implementing the design, technical submittals conform to the design information given in the Contract Documents, and is consistent with the design intent represented in the specifications and drawings. Such review and approval will not extend to means, methods, sequences, techniques, or procedures of construction selected by CMAR, or to associated safety precautions and programs, unless specifically required in the Contract Documents by the ENGINEER. The ENGINEER will also receive, review, and provide written comments to the CITYS (for general content as required by specifications) maintenance and operating schedules and instructions, guarantees, and certificates of inspection that are to be assembled by CMAR in accordance with the Contract Documents.

The Contract Documents will be structured to indicate that the review of any re-submittals in excess of one resubmission will be at the expense of the CMAR. The total number of anticipated submittal reviews for review and action per Task 401.5 is anticipated to be three-hundred (300). If the quantity of re-submittals becomes excessive (greater than 20%), the ENGINEER reserves the right to potentially negotiate a contract Change Order with the CITY.

The submittal review process will be managed to provide timely review and response to the CMAR's submittals. ENGINEER will complete the review of submittals within fifteen (15) working days from ENGINEER's receipt of submittal, unless otherwise mutually agreed to by the CITYS and ENGINEER.

For the purposes of this task, the ENGINEER assumes that the CMAR will be responsible for maintaining independent submittal file copies. The ENGINEER also assumes that the CMAR submittals will be indexed and filed in accordance with the specification section number and specific equipment identified. ENGINEER will maintain files of submittals with a set being handed over to the CITY upon completion of the project.

401.6 ARWRF Facility Improvements O&M Manual Update: ENGINEER will prepare a supplement to the existing ARWRF Operation and Maintenance (O&M) manual outlining the intent of design for the ARWRF Facility Improvements components and integrating the manufacturers' requirements for equipment operation into the overall plant operations scheme. The ARWRF Facility Improvements O&M manual supplement will be written for use by CITY of Glendale personnel, structured for ease in locating and providing quick access to information. Three (3) copies of the draft manual (outline form only) will be submitted to the CITY for review when the construction work is approximately sixty (60) percent complete. Three (3) copies of the ninety (90) percent complete draft manual, in three-ring binder format, will be submitted to CITY for review when the construction work is approximately ninety (90) percent complete. A marked-up version of the ninety (90) percent complete manual will be available during the Start-Up phase. Three (3) copies of the final manual, in three-ring binder and searchable PDF formats, will be submitted within thirty (30) working days following completion of commissioning and receipt of written comments from the CITY. The O&M manual supplement will consist of the following items as they apply only to the ARWRF Facility Improvements project components. :

- Introduction and basis of the ARWRF Facility Improvements design, including physical characteristics and operating parameters.
- A description of each of the chemical unit processes that are applicable to the ARWRF Facility Improvements project.
- Standard operating procedures and process controls for each major sub-system that were part of the ARWRF Facility Improvements project, such as the Headworks, Filtration system, Secondary Clarifiers, Odor Control system, and influent splitter boxes.
- Start-up and shutdown procedures, abnormal or emergency operating procedures, troubleshooting and process monitoring and sampling procedures that are applicable to the ARWRF Facility Improvements project.
- Maintenance procedures, based on information presented in the manufacturer's equipment manuals, including preventive maintenance schedules recommended by the manufacturers on components that are applicable to the ARWRF Facility Improvements project.
- List of recommended spare parts.
- Permits.

Task 402 – **Construction Inspection Services**

402.1 Part-time Resident Engineering / General Inspections: ENGINEER will provide an on-site RPR for the purpose of conducting general inspection during the construction activities on the four principal project components at the ARWRF site. This on-site inspection is based on an equivalent total time of fifteen (15) full-time and six (6) half-time months, for a total of 3,120 hours. The inspection schedule will initially be set for full-time, on-site inspection, on any day where work on the four principal components of the ARWRF Facility Improvements project is being conducted. In some instances, deviations in hours or number of RPRs may be required to cover specific project needs or overtime work with the corresponding

increase in manhours to be determined on a mutually agreeable basis by the CITY, CMAR, and ENGINEER. RPR will provide General Inspection for the ARWRF site, with responsibilities to include, but not limited to the following:

- Underground piping
- Aboveground piping and piping inside structures
- HVAC and plumbing
- Equipment installation (verifying that the item to be installed is the same as the approved submittal)
- Equipment start-up (verifying that manufacturer's recommendations as to lubrication, seal water connection, assembly, and similar installation items are complete)
- Coordinate with other disciplines to resolve conflicts
- MOPO consultation as appropriate, including coordination with ARWRF start-up items
- RFI responses, where appropriate
- Punch lists for major areas

402.2 Electrical Inspection: ENGINEER will provide electrical inspection for the four upgraded main project components on the ARWRF site, with responsibilities to include, but not limited to the following:

- Underground ductbanks
- Interface with local electrical utility, including the review of design submittals provided by SRP, as may be required to resolve design, construction, testing, or other issues between the local electrical utility and ENGINEER's original design, as necessary
- Verify material and equipment to be installed is per specifications and approved submittals
- Equipment start-up (verify that major equipment items have proper electrical installation before energization
- Electrical/Instrumentation RFIs and RFAs, where appropriate
- Coordinate with other disciplines to resolve conflicts
- Punch lists for major areas
- Coordinate and verify the data communication installation work is accomplished per design.

402.3 Special Inspections: ENGINEER will provide on-site Special Inspectors for purposes of conducting all necessary special inspections of the four upgraded main project components and will certify compliance with the CITY's applicable codes and standards in accordance with the most current International Building Code (IBC), as adopted by the CITY. ENGINEER will sign and attach professional seal to the latest City of Glendale Certificate of Special Inspection form approving the Work, when the CMAR has completed the Work covered by the Special Inspection requirements. Special Inspectors will be capable of interpreting and making field adjustments as required that comply with the intent of the Contract Documents. Special inspections will include building safety-related architectural, mechanical, and plumbing inspections.

402.4 Special (Structural) Inspection: ENGINEER will provide on-site Special (Structural) Inspection for building and process structure construction, including steel construction, concrete construction, and masonry construction in accordance with the most current IBC sections. Specific items will include, but not necessarily be limited to, cast-in-place concrete, bolts installed in concrete, reinforcing steel and pre-stressing steel tendons, structural welding, high strength bolting, structural steel members, structural masonry, and drilled piers. Special (Structural) Inspection of shade type structures (if required) will be based on the ENGINEER-approved shop drawings submitted by manufacturer (which are based on performance-based technical specifications only). It is assumed that no shop inspection of fabricators (per IBC) will be required.

402.5 Special (Geotechnical) Inspection: ENGINEER will provide on-site Special (Geotechnical) Inspection of existing site soil conditions, fill placement and load-bearing requirements greater than 12- inches deep, in accordance with the most current version of the IBC codes, including inspection of structural engineered fill and subgrade preparation; underslab aggregate base course field density testing; foundation excavation observation for structures; soil excavation separation and stockpile management; inspection of structural and utility trench backfill; and laboratory testing with sampling per Contract Documents (including moisture density relations ASTM D698-A, sieve analysis, plasticity index and swell). Before placement of the prepared fill, the Special (Geotechnical) Inspection will determine that the site has been prepared in accordance with the approved soils report (to be prepared by Speedie & Associates). During placement and compaction of the fill material, the Special (Geotechnical) Inspection will determine that the material being used and the maximum lift thickness comply with the approved soils report. The Special (Geotechnical) Inspection will determine that the in-place dry density of the compacted fill complies with the approved soils report.

Task 403 – **Substantial and Final Completion Inspection**

Following written notice from the CMAR, The ENGINEER will conduct an inspection to determine if the project or the work associated with interim milestones is substantially complete in accordance with the Contract Documents. If the ENGINEER considers the work substantially complete, the ENGINEER will deliver to the CITY and the CMAR the Certificate of Substantial Completion and the punch list, the date for completion of the punch list, and recommend the division of responsibilities between the CITY and the CMAR. If the work is not substantially complete, the process shall be repeated until the work is substantially complete.

The ENGINEER will, upon completion of the punch list items as notified by the CMAR, make final inspection to determine if the finished work has been completed to the standard required by the Contract Documents, determine whether required inspections and approvals for permit compliance have been satisfactorily completed, and CMAR has fulfilled the obligations so that ENGINEER may recommend, in writing, final payment to CMAR and may give written notice to CITY and the CMAR that the work is acceptable, subject to any conditions therein expressed and in consultation with the CITY whether the work is finally complete. At or before the final inspection, the ENGINEER will request the CMAR prepare and furnish;

1. Certification that all obligations for payment for labor, materials, or equipment related to the work have been paid or otherwise satisfied.
2. Certification that all insurance and bonds required of the CMAR beyond final payment is in effect and will not be canceled or allowed to expire without notice to the CITY.
3. Written consent of surety for final payment.
4. Record document information is complete and submitted.
5. Keys, manuals, required spare parts, guaranties and warranties, and other documents necessary for close-out of the work.
6. Verification of permit closeout including the Certification of Occupancy.

If the work is not finally complete, the process shall be repeated until the work is finally complete. Promptly after the work is determined to be finally complete and the ENGINEER determines that the CMAR has properly submitted the items required for final inspection, the ENGINEER will determine whether the CMAR is entitled to final payment and, if so, will so certify to the CITY.

The ENGINEER's certification that the CMAR is entitled to final payment constitutes the ENGINEER's representation to the CITY that:

1. The work complies with (a) the Contract Documents, (b) applicable building codes, rules or regulations of all governmental authorities having jurisdiction over the Project, and (c) applicable installation and workmanship standards
2. CMAR has submitted proper Final Completion close-out documents
3. CMAR is entitled to final payment

The ENGINEER will provide to the CITY, at the time it submits a signed final payment request from the CMAR, all Final Completion closeout documents.

ENGINEER will not be responsible for the acts or omissions of the CMAR, or subcontractor, or any of the CMAR(s)' or subcontractor(s)' agents or employees or any other persons (except ENGINEER's own employees and agents) at the site(s) or otherwise performing any of the CMAR(s)' work; however, nothing contained in Task 402, shall be construed to release ENGINEER from liability for failure to properly perform duties in accordance with this scope of services.

Task 404 – **Construction Drawings of Record**

As-Built (Record) Drawings will be prepared by the ENGINEER, for new and rehabilitated facilities, to the level of competency and standard of care presently maintained by other practicing Professional Engineers performing the same or similar type work. ENGINEER will prepare all Construction Drawings of Record (conformed construction drawings using the Final Design Drawings and incorporating any interim project changes) and specifications showing the changes made during the construction process, including any necessary sealing of documents as may be required. ENGINEER will submit three (3) copies of the project Drawings of Record (As-Built Drawings) in AutoCAD (or Microstation) format along with CDs and a mylar copy of the drawings. The CMAR will submit separate Drawings of Record if required by the CITY.

SERIES 500 START-UP AND WARRANTY SERVICES

Task 501 – **Start-Up and Warranty Services**

501.1 ARWRF Facility Improvements Start-Up Services: Start-Up services begin after completion of the construction phase. At the end of the successful Start-Up, the project will be considered "substantially complete" in accordance with Task 403. Start-Up of the facility improvements is performed by the CMAR. The ENGINEER will be present during Start-Up and will be responsible for reporting operational issues, equipment performance issues, installation issues, discrepancies under warranties in the Contract Documents, and provide assistance for resolution of defects for correction under warranty. This Scope of Services was based on a limit of a four-man Start-Up crew, eight (8) hours per day, for a three-week equipment Start-Up period running concurrent on each of the four principal component systems (Headworks, Filters, Secondary Clarifiers, and Odor Control). All Start-Up efforts, including testing, are to be led and performed by the CMAR.

501.2 ARWRF Facility Improvements Start-Up Plan: ENGINEER will prepare a Start-Up plan and procedures for the CITY staff and CMAR. The Start-Up plan will include identification of key milestone activities necessary for orderly Start-Up of the new ARWRF Facility Improvement project facilities. The milestone activities will include coordination of chemical deliveries, completion of any construction activities required for substantial completion, and coordination of required CMAR maintenance activities, etc.

501.3 Initial Operational Support Assistance: After Start-Up services are complete, The ENGINEER will be present during the initial 30-day CITY operation of the newly constructed ARWRF facilities. The ENGINEER will be on-site for three (3) days a week for four (4) weeks assisting with possible operational

issues, equipment performance issues, installation issues, discrepancies under warranties in the Contract Documents, and provide assistance for resolution of defects for correction under warranty. The Task 501.3 services will assist the CITY with the transition of the ARWRF from CMAR Start-Up to Owner Operation.

501.4 Equipment Performance Testing: ENGINEER will verify that equipment and systems performance, operational and acceptance field-testing and start-up are conducted as required by the Contract Documents and in the presence of the required personnel, and that CMAR maintains adequate records thereof. ENGINEER will observe, record, and report to the CITY representative whether or not the testing meets design intent relative to the test procedures and start-ups.

501.5 Warranty Services: The objective of the Warranty Services task is for the ENGINEER to provide "on-call" assistance to the CITY's operational staff on an "as needed" basis for a period of twenty-four (24) months.

(1) The ENGINEER will document the resolution to operational issues unique to the facility in a troubleshooting chapter in the Operations Manual. The ENGINEER will document the final operational procedures of each process associated mechanical equipment, and instrumentation and control system components.

(2) The ENGINEER will continue to document warranty issues, issue warranty requests to the CMAR, and follow up that warranty requests are satisfactorily resolved.

The level of effort for Task 501.5 is based on an estimated effort of one (1) person, for one (1) day per month, for the duration of twenty-four (24) months to provide operations assistance. It is assumed that the Project Manager, Project Engineer, and Electrical Inspector are available during this period for operations assistance. An Allowance under Series 700 –Miscellaneous Services will be developed for possible Warranty Services efforts that are undefined at this time. The use of the Series 700 funds will only be by written direction from the CITY and to the amount approved by the CITY.

SERIES 600 SCADA CONFIGURATION

SCADA and PLC programming is included as part of this Scope of Services and performed by the ENGINEER in Series 600 – SCADA and PLC Configuration Services. The level of effort includes a maximum of:

- Six (6) PLCs
- Four (4) HMI Screens
- Four-hundred (400) I/O Points
- Zero (0) OITs (OITs will be furnished and programmed by vendor/manufacturer).

An Allowance under Series 700 –Miscellaneous Services will be included for possible additional networking equipment upgrades or SCADA and PLC Configuration Services that are undefined at this time. The use of the Series 700 funds will only be by written direction from the CITY and to the amount approved by the CITY. The SCADA Configuration services scope of work is based on the following:

1. This task includes all programmable logic controller (PLC) and human machine interface (HMI) programming necessary for the areas of the plant upgraded as part of this project under Series 300. The base scope includes the following areas:
   - Headworks
   - Tertiary Filters
   - Secondary Clarifiers
   - Plant-Wide Odor Control
2. This task assumes that each of the areas identified currently have, or will be upgraded to M340 PLC's. Additional areas not listed are included in Series 700.

3. This task does not include PLC and HMI programming for additional areas of the plant or those that are not upgraded as part of this project. Additional PLC and configuration tasks are included under Series 700 if additional work is required as part of this project.
4. This task does not include configuration or programming for remote locations that can monitor or control the local plant. The CITY will be responsible for configuration of monitoring and control at the Utility Control Center.
5. This task includes updating the plant controls system trending, and ADEQ reporting, as required due to the improvements to the plant monitoring and reporting capabilities and requirements.
6. All configuration services work will utilize the CITY's latest version of software packages for GE Intelligent Platform's HMI/SCADA - iFIX and Schnieder Electric M340 Unity Pro.
7. HMI and PLC programming will follow the City Control System Standards and Conventions document created for the Glendale Oasis Water Campus and updated as part of the Arrowhead WRF UV Upgrade project. The SCADA standards document will be reviewed and updated to incorporate additional project specific requirements as required.

601.1 SCADA Kick-Off Meeting: A Kick-Off meeting will be held with the CITY, ENGINEER, and CMAR to provide a clear statement of Series 600 goals and critical success factors. Consultant will conduct the meeting and provide meeting minutes. The following topics will be covered at the Task 600.1 Kick-Off meeting:

- Review Scope of Services
- Review and Finalize List of Owner-procured Equipment
- Review and Finalize List of Manufacturer and Model of Contractor Allowance Equipment
- Schedule and Deliverables
- Project Team Roles and Responsibilities
- Communication and Contact Information
- Review Periods
- Existing Documentation and Software Availability
- Change of Scope Procedures
- Review of Existing Configuration Standards
  - Standards and Conventions
  - Trends and Historical Data
  - Alarm Prioritizing and Area Assignments
  - Equipment Vendor Coordination
  - Integration with Existing Control System
- Review of ADEQ reporting requirements

Deliverables: Submittal of the meeting minutes for the SCADA Kick-Off Meeting.

601.2 Develop Initial SCADA Programming: Initial programming will be developed based on the Control System Standards and Conventions Document, the equipment control descriptions, and the I/O list in the Contract Documents. After initial programming is developed, the ENGINEER will provide initial programming documents to the CITY for review. After CITY review, the ENGINEER will meet with the CITY to review the initial programming and obtain comments. Initial programming documents that will be reviewed by the CITY include the following:

- PLC programming code for major equipment items
- Operator workstation overview graphic displays color printout.
- Example control graphic displays color printout.
- Example trending screen color printout.

Deliverables: PLC Programming Code in PDF format, HMI Screen Shots as JPEG files

601.3 Develop PLC Programs: After initial programming has been developed and reviewed by the CITY, the ENGINEER will develop the PLC tag listing and proceed with PLC program development. The PLCs shall be programmed to control the systems according to the control block descriptions listed in the Contract Documents within the assumptions noted previously. This task does not include development of temporary control strategies to allow full automatic control of the plant during all phases of construction. It is assumed that the CITY will control processes manually as required during construction. The ENGINEER will provide minor PLC modifications during start-up to assist the CITY in manual or semi-automatic control. If the CITY deems it necessary to implement temporary programs, that are not described in the control block descriptions to automate the process, the ENGINEER will provide these services as a supplemental service to the scope of work.

Deliverables: Final PLC Programs in PDF format, PLC tag list in PDF format

601.4 Develop HMI Graphic Displays and Database: Develop new operator control and monitoring displays for the HMI workstations. The HMI will be programmed to control the systems according to the control block descriptions listed in the Contract Documents. After the HMI graphic displays are developed, the ENGINEER will prepare documents for review by the CITY. After approximately a two-week review period, the ENGINEER will meet with the CITY to review the HMI graphics programming and obtain comments. After review of the HMI graphic displays with the CITY, the ENGINEER will incorporate the CITY's comments and develop the final HMI displays and PLC programming. Existing controls for processes not described in the control block descriptions, or herein, will not be modified or upgraded.

Deliverables: HMI graphic displays in JPEG format and meeting minutes from HMI review meeting

601.5 Configuration Quality Control: The ENGINEER will complete a quality control review of all programming documentation, PLC programming, and HMI development. The quality control review will include verification of operation as described in the control block descriptions and compliance with the Plant Control System Standards and Conventions.

601.6 I&C Coordination: I&C coordination activities will be performed to ensure the ENGINEER and equipment vendors are ready for start-up and commissioning. Tasks generally include:

- Witness and verify control loop checks, verify instrument calibrations, instruments startup and assist the SCADA system programmer with startup of SCADA system equipment.
- Verify with the CMAR that equipment installation and manufacturer start-up services have been provided prior to testing and startup from the SCADA system.
- Attend up to ten (10) CMAR construction meetings and coordinate programming startup activities with the CMAR's schedule.
- ENGINEER will verify control system equipment installation, networking, and communications status. The ENGINEER will prepare a statement of deficiency for the CMAR for any control system installation problems or communication errors. If the CMAR's work has significant deficiencies, the ENGINEER can provide services to re-verify control system installation as a supplemental service.

Deliverables: Statement of Deficiency List

601.7 Install and Commission PLC Programming: After the CMAR has completed loop checks and verified that all equipment operates in the local manual mode, the ENGINEER will install the PLC programming and commission the PLC program. PLC programming will be tested in manual and auto mode. If signals from

field equipment or other PLCs are not available, the signals will be simulated as required to verify proper operation of the PLC algorithm.

PLC code for new equipment will be as specified in the control descriptions. PLC code for existing equipment will match existing PLC code or will be revised as necessary to accommodate PLC upgrades. The CMAR will complete loop checks and verify that all new and existing equipment operates in the local manual mode prior to the ENGINEER installing and commissioning any PLC program.

If deficiencies in the CMAR's work are found during the PLC I/O verification or PLC program commissioning, the ENGINEER will provide a statement of deficiency to the CMAR.

The start-up of the PLC programs is dependent on the CMAR's completion of work and schedule. The Install and Commission PLC Programming task includes up to three (3) 5-day site visits. The ENGINEER will notify the CITY of significant changes in the CMAR's schedule or completion of work that will impact PLC programming startup costs.

601.8 Install and Commission HMI Programming: After the PLC I/O and programming have been verified and commissioned the ENGINEER will commission all new HMI graphic displays for control of the system. If deficiencies in the CMAR's work are found during the HMI commissioning, the ENGINEER will provide a statement of deficiency to the CMAR for resolution including, but not limited to items regarding the control system installation and communication.

The ENGINEER will notify the CITY of significant changes in the CMAR's schedule or completion of work that will impact costs for the Commission HMI Programming task.

601.9 Install and Commission History System: The City of Glendale uses multiple SQL databases to store historical data from the Water and Wastewater processes. ENGINEER will coordinate with the CITY's personnel on the transfer of data to CITY's historical servers. The CITY will provide all configuration for the existing historical SQL servers.

601.10 Final Documentation: After the system is operational and accepted by the CITY, the ENGINEER will deliver final documentation. Electronic copies will be provided on CD media and hard copies will be provided in three-ring binders. The table below lists the documentation to be provided to the CITY:

Documentation Type	Hard Copy	Electronic Copy
PLC Programs	None	4 electronic copies will be provided for all data and included in Final Documentation three ring binders.
HMI Software Database	None	
OIT Programs	None	
Graphic Displays	None	

601.11 Configuration Punch List: The CITY will monitor the control system during the Site Acceptance Test and will keep a log of any problems that occur during the test. The ENGINEER will meet with the CITY to review the log. Entries in the log will be categorized as items to be added or modified by the ENGINEER, items to be corrected by the CMAR or supplemental programming items not included in the scope of services. This task includes up to a five (5) day site visit to meet with the CITY and resolve the ENGINEER's configuration punch list items included in the scope of work. CITY acceptance of the completed punch list, for items included in the configuration scope of work, will indicate final acceptance of the Plant control system programming.

601.12 SCADA System Training: The ENGINEER will provide eight hours (two-four hour sessions) of training for the CITY's operation staff and four hours (one session) of training for the CITY's SCADA maintenance staff. The training class will be conducted on the installed control system and will familiarize and

demonstrate the operation and maintenance of new systems monitoring and control to the CITY's personnel. This task includes a training outline agenda and hands-on interaction with CITY staff. customized, detailed training manuals are not included in this task, but may be provided as a supplemental service.

SERIES 700 MISCELLANEOUS SERVICES

The following items are not the responsibility of the ENGINEER:

1. Obtaining of all easements, rights-of-way, permits (building), and approvals as may be needed. ENGINEER will prepare and submit the applications on behalf of the CITY.
2. Processing and payment of CMAR payment applications (ENGINEER will review payment application and recommend payment to CITY).

The following section of the Scope of Services describes the services and costs associated with the Miscellaneous Services for the ARWRF Facility Improvements project. The Miscellaneous Services are based on the CITYS' selection of the Construction Management at Risk (CMAR) project delivery methodology.

Task 701 – **Geotechnical Services:**

The geotechnical subconsultant (Speedie & Associates, Inc.) will provide professional services to supplement the Series 200 and 300 tasks. Additional geotechnical efforts, if required, will be established as an addition to the contract and the level of effort and associated costs will be included in Task 708 and will be determined by the CITY and ENGINEER.

Task 702 – **Surveying Services:**

Surveying Subconsultant (Aztec Engineering, Inc.) will provide professional services for Site Surveying to supplement the Series 200 and 300 tasks. Additional Site Surveying efforts, if required, will be established as an addition to Task 708 and will be determined by the CITY and ENGINEER.

Task 703 – **Fire Protection Design Services:**

Fire Protection Design Subconsultant (Schwimmer and Associates, Inc.) will provide professional services for Fire Protection Design Services in the areas affected by the ARWRF Facility Improvements project. Additional Fire Protection Design Service efforts, if required, will be established as an addition to Task 708 and will be determined by the CITY and ENGINEER.

Task 704 – **SCADA Programming and Configuration Services:**

SCADA and PLC Configuration services will be developed under Series 600 – SCADA and PLC Configuration and will include the areas described in Series 200 and 300 as part of the services for this project. Additional equipment and control upgrades have been identified that are less defined and are covered with an evaluation task developed as part of Series 600. The level of effort required for any tasks following the evaluation defined in Series 600, or any additional requirements not identified in the basic Scope of Services in Series 600 is undefined at this time, requiring an Allowance under Series 700 – Miscellaneous Services to be included. The ENGINEER will provide professional services for SCADA/PLC Programming and Configuration that applies to the ARWRF Facility Improvements project under Series 600 as best determined at the time of the development of this Scope of Services. If additional SCADA Programming and Configuration services are required, the level of effort and compensation will be established as an addition to the project, defined, and compensated under Task 704 as determined by the CITY and ENGINEER.

Task 705 – **Permitting Fees:**

The application costs associated with all permitting fees for activities involved with the complete permitting process for the ARWRF Facility Improvements project. The efforts and costs to prepare the permit applications are covered in Task 306 – Agency Review/Permit Assistance. If additional permitting assistance services, or permit fees, under Task 306 are required, the level of effort and compensation will be established as an addition to the project, defined, and compensated under Task 705 and possibly 708 as determined by the CITY and ENGINEER.

Task 706 – **Potholing and Subsurface Investigation:**

The ENGINEER has included an Allowance for efforts to update the ARWRF As-Built (Record) drawing information if required. The level of effort and compensation are undefined at this time. If additional As-Built updating services are required, the level of effort and compensation will be established as an addition to the project, defined, and compensated under Task 706 as determined by the CITY and ENGINEER. If additional subsurface investigation (potholing, trench excavation etc.) is required to determine as-built information, the level of effort and compensation will utilize the Task 708 Owner's Contingency funds.

Task 707 – **Reimbursables:**

Other Direct Costs (ODC) charges for printing, scanning, reproduction, postal services, courier, and local travel.

Task 708 – **Miscellaneous Services (Owner's) Contingency:**

A "not-to-exceed" amount of **$250,000** set aside for unforeseen design, study, or construction administration issues that were not apparent at the time the Scope of Services for the project was developed. ENGINEER is not to begin work in Task 708 without a City-approved Scope of Effort that is documented in writing, a corresponding estimated fee for the work, and an approved schedule for the contingency work.

PROJECT CLARIFICATIONS

The following project clarifications were used in developing the Scope of Services:

1. No Effluent Storage Requirements or On-Site/Off-Site Management (strategies), evaluation or design efforts are to be developed under this contract.
2. No Solids Handling strategies are included as part of this Scope of Services.
3. Engineering design of the off-site effluent disposal systems, including reclaimed water distribution systems are not included as part of this project.
4. Off-site sewer lines evaluation required to convey influent wastewater to the plant site are not included as part of this Project.
5. This Scope of Services does not include any security features, walls, landscape berming, fencing, or provisions for site monitoring outside of the areas where the ARWRF facilities are upgraded.
6. The Scope of Services does not include any work associated with archeological or environmental impact issues.
7. The Scope of Services does not include any design services for Administration Buildings, Laboratory, Solids Handling Buildings, or other ancillary facility improvements.
8. Work required to protect the plant site from floodwaters is not included in this Scope of Services. This exclusion includes studies, agency coordination, permitting assistance, and flood berm/wall design required to protect the plant from potential floodwaters. ENGINEER will develop and design a Site Drainage Strategy to drain rainwater on-site.

9. Subconsultants that may be utilized on the project include, but are not limited to:
   - Speedie and Associates Inc., – Geotechnical
   - Aztec Engineering Inc., – Land Survey
   - Landscape Design Services – McCloskey, Peltz and Associates
   - Fire Protection Design Services – Schwimmer and Associates
10. The ENGINEER will be responsible to the level of competency and standard of care deemed reasonable by competent Engineering Companies performing the same or similar type work. ENGINEER and CITY mutually agree that standard of care, as applied to design professional, will be defined as the ordinary and reasonable care required and established by expert testimony of what a reasonable and prudent professional would have done under the same or similar circumstances.
11. CMAR is responsible for on-site expenses such as air conditioned/heated trailer, phone, fax machine, potable water, computer, materials testing, and other limited miscellaneous expenses incurred by ENGINEER during Construction Administration efforts.

EXHIBIT C
Professional Services Agreement

SCHEDULE

(Cover Page)

EXHIBIT C

BASIC SERVICES – PRELIMINARY SCHEDULE

The preliminary schedule for the professional services provided under Exhibit B – Study, Design and CA&I Services, of this ARWRF Facility Improvements Project, based on an estimated 42-month planning, design and construction duration, is outlined as follows:

- Series 100: Project Administration and Management Services – February 2014 to August 2017
- Series 200: Facility Evaluation and Design Concept Development Services – February 2014 to Novemberber 2014
- Series 300: Detailed Design Services (30%, 60%, 90% and Final) – September 2014 to September 2015
- Series 400: Construction Administration Services – October 2015 to August 2017
- Series 500: Start-up and Warranty Period Services – August 2017 to August 2019
- Series 600: SCADA Configuration – March 2016 to August 2017
- Series 700: Miscellaneous Services – February 2014 to August 2019

EXHIBIT D
Professional Services Agreement

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Compensation shall be hourly rates plus allowable reimbursable expenses

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Consultant for full completion of all work required by the Project during the entire term of the Project must not exceed $4,318,380.

DETAILED PROJECT COMPENSATION

Series/Task Description		Amount
Series 100 - Project Administration and Management	$	135,830
Series 200 - Facility Evaluation	$	542,680
Series 300 - Detailed Design	$	1,336,670
Series 400 - Construction Administration	$	1,574,260
Series 500 - Start-up and Warranty Services	$	116,200
Series 600 - SCADA Configuration	$	208,740
Subtotal Planning, Design, Construction Administration	$	3,914,380
Task 701-706 - Allowances	$	109,000
Task 707 - Reimbursable Expenses/Other Direct Costs	$	45,000
Task 708 - Miscellaneous Owner's Contingency	$	250,000
Subtotal Allowances/ODCs/Owner Contingency	$	404,000
TOTAL COST - PLANNING, DESIGN CONSTRUCTION ADMINISTRATION	$	4,318,380.

EXHIBIT E
Professional Services 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 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, Consultant 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 Consultant in accordance with this Agreement.

4. Exceptions.

4.1 Third Party Claims. City and Consultant 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 Consultant.

4.2 Liens. City or Consultant 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.

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO PURCHASE CITY COURT CCTV SECURITY SYSTEM AND ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH EXHIBIT ONE**
Staff Contact:	**Elizabeth R. Finn, Presiding Judge**

Purpose and Recommended Action

This is a request for City Council to authorize the procurement of a closed-circuit television (CCTV) camera security system for Glendale City Court and authorize a budgetary transfer from General Fund, Contingency (1000-11901-510200) to General Fund, City Court, Equipment (1000-10410-551400) in the amount of $36,883 for the purchase. Additional funding for this purchase will be from City Court salary savings. This is also a request for City Council to authorize the City Manager to enter into a professional services agreement with Exhibit One, a commercial audio/visual system vendor, to purchase, install and maintain the CCTV camera security system.

Background

Approximately 100,000 customers visit Glendale City Court annually to conduct business. This makes Glendale City Court one of the busiest city facilities, as measured by on-site customer volume. The Court currently has several measures in place to insure its customers are served in a secure environment. These services include contracted private security screeners whose primary responsibility is to check visitors for weapons with a metal detector and x-ray scanner. The Court also employs a fulltime armed Glendale Police Department security officer.

As an added security feature, over a period of several years the Court installed a network of security cameras in various locations throughout the interior and exterior of the Court facility. As these cameras have aged, several have required replacement or repair. In reviewing the current system, staff found several areas where the increased capabilities of additional modern HD digital cameras can enhance security. Today's digital high definition video industry standards provide advanced recording capability, and staff has determined an increased storage capacity for recordings is required. The presence of an effective, well-functioning camera security system is paramount to maintaining adequate levels of security at Glendale City Court.

Enhancing security represents the greatest result of procuring a new Court CCTV camera system. However, there are additional monitoring benefits to be gained through this request. As Court managers and judges are able to view camera images through internet protocol connections at their work station computer, they will be able to recognize any under-staffed sections of the Court requiring shifts in staffing levels to better serve the public. Instead of leaving their offices to make

these observations and gauge work flow levels within the Court, managers and judges would be able to respond quickly from their work stations.

Analysis

This CCTV solution will require vandal-resistant interior and exterior cameras, cabling, server and storage for the Court building and the adjacent public safety parking garage. It will involve the removal of existing analog cameras and coaxial cabling. A maintenance agreement option has also been included in the project scope.

Pursuant to direction from City Management, Court staff has followed guidelines from the City's Materials Management Department to expedite this request utilizing competitive discounted pricing options from cooperative state purchasing contracts. Project and pricing quotes were solicited from four local approved commercial vendors on a competitive state contract.

An internal City Court review panel was assembled to review these four quotes and participate in product presentations from all four vendors. Following this review process, the City Court review panel selected Exhibit One as the best vendor. Reference checks have been conducted with previous/current Exhibit One customers.

The City of Glendale has received approval from Exhibit One to utilize the Procure.AZ.gov Audio and Video Equipment and Services contract. Additionally, the City's Materials Management Office and Attorney's Office have reviewed and approved the action to cooperatively purchase the City Court CCTV Security System in accordance with the terms of the Procure.AZ.gov Audio and Video Equipment and Services contract.

Community Benefit/Public Involvement

The purchase and installation of the CCTV security camera system will help insure that all citizens, witnesses, plaintiffs, attorneys, defendants, judges, law enforcement officers, and all other court customers will be free to conduct their business in a secure environment.

Budget and Financial Impacts

Glendale City Court's security system review panel has analyzed and considered proposals and pricing quotes from four commercial audio/video product vendors from a discounted cooperative state purchasing contract. The review panel determined the most cost effective and beneficial solution was offered by Exhibit One. For $76,883, Exhibit One will provide indoor and outdoor cameras, a hard drive for image recording and storage, display monitors, cabling, mounting hardware, engineering and installation of a new CCTV security monitoring system. This proposal

includes all hardware, software and materials required to monitor the interior and exterior perimeter of the City Court building. It also includes all components necessary to monitor the public safety parking garage adjacent to City Court, which is shared for use by Court and police staff. Exhibit One's quote includes a five-year warranty/service maintenance agreement.

If approved, funding for this purchase will come from a budgetary transfer from General Fund, Contingency (1000-11901-510200) to General Fund, City Court, Equipment (1000-10410-551400) in the amount of $36,883 for the purchase. The remaining funding for this purchase totaling $40,000 would come from identified salary savings transfers within the City Court operating budget. Transfers from General Fund Contingency, if approved, and from identified salary savings, are consistent with the transfer policy adopted December 10, 2013.

Cost	Fund-Department-Account
$76,883	**General Fund, City Court, Equipment, 1000-10410-551400**

Capital Expense? Yes ☒ No ☐

Budgeted? Yes ☐ No ☒

Requesting Budget or Appropriation Transfer? Yes ☒ No ☐

If yes, where will the transfer be taken from? General Fund, Contingency (1000-11901-510200)

Attachments

None

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**VOTING**
Title:	**AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH QWEST COMMUNICATIONS COMPANY LLC FOR INTERNET, VOICE, VIDEO, AND DATA SERVICES**
Staff Contact:	**Chuck Murphy, Executive Director, Technology & Innovation**

Purpose and Recommended Action

This is a request for City Council to approve a new 5 year Qwest Communications Company LLC, d/b/a Century Link QCC (Century Link), agreement for Internet, Voice, Video and Data services at an annual cost of $24,000.

Background

Century Link provides Internet, Voice, Video and Data circuits to the City at a monthly cost based on the state contract. In 2014, Century Link signed a new State contract (ADSPO11-000402) that lowered pricing for the services they provide. In order for the city to take advantage of the lower pricing, a new Carrier Service Order (CSO) must be signed by the City. The new CSO will replace current Century Link agreements C-7804 and C-7801. The new state contract provides for a lower monthly rate saving the city approximately $1,056 per month while providing the city higher bandwidth speeds.

Analysis

The higher bandwidth will improve services to the City by reducing Internet delays and providing growth for future needs. The City will also benefit from the approximate annual cost savings of $12,672. The contract may be terminated by the City at any time with 30 days written notice to the provider.

Budget and Financial Impacts

Funding for this item is available in the Telephone budget in the amount of $24,000 annually.

Cost	Fund-Department-Account
$24,000	**1000-11520-514600, Telephone**

CITY COUNCIL REPORT

Capital Expense? Yes ☐ No ☒

Budgeted? Yes ☒ No ☐

Requesting Budget or Appropriation Transfer? Yes ☐ No ☒

If yes, where will the transfer be taken from?

Attachments

Agreement

AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
CENTURYLINK

THIS AGREEMENT (this "Agreement") is entered into as of _____, 2014, between the City of Glendale, an Arizona municipal corporation (the "City"), and Qwest Communications Company LLC, d/b/a CenturyLink QCC, on behalf of itself, and its affiliated entity Qwest Corporation, d/b/a CenturyLink QC ("Contractor"), hereafter, the "Parties."

RECITALS

A. After a bid solicitation on _____, the State of Arizona entered into Telecommunications Carrier Services Agreement ADSPO11-000402 (Content ID: 336562) with Contractor (the "TCS Agreement"), which is incorporated by this reference.

B. The City is permitted to purchase the Services under the TCS Agreement without further public bidding, and the TCS Agreement permits its cooperative use by other governmental agencies, including the City.

C. Section 2-149 of the City's Procurement Code permits the Materials Manager to authorize a procurement through the use of a contract initiated by another governmental entity when that government entity's procurement actions complied with the intent of the City's purchasing procedures in City Code Sections 2-145 and 2-146 and such purchase is in the best interest of the City. The City believes these conditions are met for purposes of the TCS Agreement.

D. The City desires to contract with Contractor for supplies, goods or services that are described and priced under the TCS Agreement and that Contractor is eligible to provide the State of Arizona under the TCS Agreement. Pursuant to the terms of the TCS Agreement, Contractor consents to the City's utilization of the TCS Agreement as the basis of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the covenants and promises contained herein, the parties hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall expire on December 1, 2018, or the termination of the TCS Agreement, whichever occurs first.

2. Scope of Work; Terms, Conditions, and Specifications.

   a) Contractor shall provide City the supplies, goods or services Contractor is eligible to provide the State of Arizona under the TCS Agreement, subject to its terms, conditions and pricing.

   b) Each party agrees to comply with all the terms, conditions and specifications of the TCS Agreement applicable to the respective parties for the purposes of this Agreement which terms, conditions, and specifications are incorporated herein by this reference. The "City of Glendale" shall be substituted for "State of Arizona" or similar reference to the State of Arizona throughout the TCS Agreement.

3. Compensation. City shall pay Contractor the same compensation the State of Arizona pays Contractor under the TCS Agreement under the Attachment 3, titled Prices and Pricing, in the TCS Agreement. In addition, the total purchase price for the Services described in Exhibit A to this Agreement is not to exceed One Hundred Twenty Thousand Dollars ($120,000). In addition, the City may from time to time elect to purchase additional goods and services from Contractor pursuant to the TCS Agreement, and the City will make such purchases using Contractor's "carrier service order" form or similar documents, and the City will comply with all applicable laws regarding procurement and approval of such purchases.

4. Payments. The City shall pay Contractor in the name of CenturyLink QCC.

5. Cancellation. This Agreement may be cancelled pursuant to the TCS Agreement, including any statutory rights referenced therein and subject to the terms of the TCS Agreement.

6. E-verify. Contractor complies with ARIZ. REV. STAT. § 23-214 and agrees to comply with the requirements of ARIZ. REV. STAT § 41-4401.

[SIGNATURES ON FOLLOWING PAGE]

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

"City"

City of Glendale, an Arizona

municipal corporation

By:_____
Brenda S. Fischer, City Manager

"Contractor"

Qwest Communications Company LLC, d/b/a CenturyLink QCC, on behalf of itself, and its affiliated entity Qwest Corporation, d/b/a CenturyLink QC,
a Delaware corporation

By:_____

Name: Constantine N. Gartelos

Title: Manager, Offer Management

Approved as to Form:

_____
Michael D. Bailey, City Attorney

N66132

Exhibit A
[Carrier Service Orders]

CenturyLink Government
Stronger Connected™

Carrier Service Order

CSO Number 336562-AZSTATE

Product ordered 100M Ethernet Local Access Loop

Term 60

Quantity Ordered One (1)
(Additional Order Detail must be attached)

Total Monthly Recurring Charge $960.00

Total Non-recurring Charge Waived upon meeting minimum service period requirement

This CSO (Carrier Service Order) is a supplement to the Telecommunications Carrier Services Agreement ADSPO11-000402 ("Underlying Agreement") with the State of Arizona (Qwest Content ID: 336562) between City of Glendale and **QWEST COMMUNICATIONS COMPANY, LLC, D/B/A CENTURYLINK QCC** for the provisions of service. Pricing for this CSO is based on 1037 AZ QCC LOCAL ACCESS 03.05.13 A7 as found in Attachment 3, titled Prices and Pricing, in the Underlying Agreement[1]. This supplement is effective on the date service becomes functional ("Effective Date"). The customer represents and certifies that it controls, is controlled by, or is in common control with the Underlying Agreement as noted above.

Customer: City of Glendale

Customer Signature
Date
Printed Name
Printed Title
Phone Number
Address

QWEST COMMUNICATIONS COMPANY, LLC, D/B/A CENTURYLINK QCC
acting on behalf of itself and as agent for its affiliates

Centurylink Signature Chrisha Elmer
Date 8-26-2013
Printed Name Chrisha Elmer
Printed Title GES Manager
Phone Number 602 512-2528
Address 20 East Thomas Rd, 4th Floor
Phoenix, AZ 85012

E-rate SPIN Number: 143001157

[1] Rates based on State of Arizona Telecommunications Carrier Services Agreement ADSPO11-000402. To verify eligibility, please visit http://www.spo.az.gov/Cooperative_Procurement/SPC/default.asp

CenturyLink Government

Stronger Connected

Carrier Service Order

CSO Number 336562-AZSTATE

Product ordered 1G iQ Networking Port

Term 60 months

Quantity Ordered One (1)
(Additional Order Detail must be attached)

Total Monthly Recurring Charge $1,040.00

Total Non-recurring Charge Waived upon meeting minimum service period requirement

This CSO (Carrier Service Order) is a supplement to the Telecommunications Carrier Services Agreement ADSPO11-000402 ("Underlying Agreement") with the State of Arizona (Qwest Content ID: 336562) between City of Glendale and **QWEST COMMUNICATIONS COMPANY, LLC, D/B/A CENTURYLINK QCC** for the provisions of service. Pricing for this CSO is based on 3007 AZ QCC IQ PUBLIC PORT_FLAT & TIERED 03.05.13 A7 as found in Attachment 3, titled Prices and Pricing, in the Underlying Agreement[1]. This supplement is effective on the date service becomes functional ("Effective Date"). The customer represents and certifies that it controls, is controlled by, or is in common control with the Underlying Agreement as noted above.

Customer: City of Glendale

Customer Signature
Date
Printed Name
Printed Title
Phone Number
Address

QWEST COMMUNICATIONS COMPANY, LLC, D/B/A CENTURYLINK QCC
acting on behalf of itself and as agent for its affiliates

Centurylink Signature Chrisha Elmer
Date 8-26-2013
Printed Name Chrisha Elmer
Printed Title GES Manager
Phone Number 602 512-2528
Address 20 E Thomas Rd, 4th Floor
Phoenix, AZ 85012

E-rate SPIN Number: 143001157

[1] Rates based on State of Arizona Telecommunications Carrier Services Agreement ADSPO11-000402. To verify eligibility, please visit http://www.spo.az.gov/Cooperative_Procurement/SPC/default.asp

City of Glendale

CenturyLink™ Government

Pricing Quote Detail: ADSPO11-000402
Product Name: **Ethernet Local Access to iQ Networking**
Name: **CITY OF GLENDALE**
Service Address: **6835 N 57th Dr, Glendale, AZ 85301**
Date: **August 15, 2013**

Account #: **72844396**

Billing Number	Service	Service Address	*60-Month Rate per Month	*One - Time Installation
72844396	100 Mpbs Ethernet Local Access	6835 N 57th Dr	$ 960.00	$ -
		Glendale,AZ 85301		
	1G iQ Networking Port		$ 1,040.00	$ -
	Promo Code: FTTCI100			
		TOTAL Monthly Recurring:	**$ 2,000.00**	**$ -**

Notes:
* Requires One-year Minimum Service Period

CONFIDENTIALITY NOTICE: This document, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited.

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO PURCHASE REPLACEMENT SERVERS AND ENTER INTO LINKING AGREEMENT WITH IBM CORPORATION**
Staff Contact:	**Chuck Murphy, Executive Director, Technology & Innovation**

Purpose and Recommended Action

This is a request for City Council to authorize the purchase of replacement servers in an amount not to exceed $80,387.19 and enter into a linking agreement with IBM Corporation.

Background

The servers in need of replacement comprise a virtualized computing cluster in the Main Data Center and will reach the end of their useful life in January 2014, when their extended warranties expire. This purchase also includes a request for Council to approve a Linking Agreement between the City and IBM. The Linking Agreement ensures that rights, responsibilities and legal protections that benefit the State under the state's contract with IBM are also afforded to the City. This Linking Agreement will be in effect for the duration of the existing state contract and will apply to subsequent purchases from IBM under this contract.

Server computers provide computing resources to a broad range of city departments. Currently the city utilizes virtual server technology which allows one physical server to perform the same functions as several physical servers. These servers are then grouped together in a cluster that works cooperatively to provide computing capability to the organization. If one server in the cluster should fail, the remaining servers in the cluster distribute the workload resulting in no down-time.

Three of the four servers in the city's virtual cluster were purchased in 2007 and will no longer be supported when their extended warranty expires in January, 2014. These servers are essential to city services as they replace more than 91 physical servers which support city-wide operations. Virtualization and clustering reduce costs associated with hardware acquisition, operation, and down-time.

Analysis

An analysis was performed for these replacements utilizing our IBM partner to ensure that the selected servers would meet current and future computing needs. Virtualized servers in a clustered hardware environment are considered to be an industry standard for modern data center environments. The city has utilized this technology for six years resulting in both cost

savings and cost avoidance. The virtual clustered environment discussed in this report provides services to every department in the City.

Budget and Financial Impacts

Funding for this requested item is budgeted and available in the Technology Replacement Fund.

Cost	Fund-Department-Account
$80, 387.19	**1140-11530-551400, Technology Replacement Fund**

Capital Expense? Yes ☐ No ☒

Budgeted? Yes ☒ No ☐

Requesting Budget or Appropriation Transfer? Yes ☐ No ☒

If yes, where will the transfer be taken from?

Attachments

Agreement

LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
IBM Corporation

THIS LINKING AGREEMENT (this "Agreement") is entered into as of January 14, 2014 between the City of Glendale, an Arizona municipal corporation (the "City"), and IBM Corporation, a New York corporation ("Contractor"), hereafter, the "Parties."

RECITALS

A. After a bid solicitation on November 20, 2009, the State of Arizona entered into Contract Number ADSPO10-00000018 with Contractor (the "Participating Addendum"), a copy of which is attached as Exhibit A and incorporated herein by this reference.

B. The City is permitted to purchase the goods and services described in the Participating Addendum without further public bidding, and Paragraph 2 of the Participating Addendum permits its cooperative use by other governmental agencies, including the City.

C. Section 2-149 of the City's Procurement Code permits the Materials Manager to authorize procurement through the use of a contract initiated by another governmental entity when that government entity's procurement actions complied with the intent of the City's purchasing procedures in City Code Sections 2-145 and 2-146 and such purchase is in the best interest of the City. The City believes these conditions are met for purposes of the Participating Addendum.

D. The City desires to contract with Contractor for supplies, goods or services identical, or nearly identical, to the supplies, goods or services Contractor is providing the State of Arizona under the Participating Addendum, Contractor consents to the City's utilization of the Participating Addendum as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the goods and services set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the covenants and promises contained herein, the parties hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall expire upon expiration or termination of WSCA-NASPO B27166 or State of Arizona Contract # ADSPO10-00000018, whichever occurs first.

2. Scope of Work; Terms, Conditions, and Specifications. Contractor agrees to comply with all the terms, conditions and specifications of the Participating Addendum for the purposes of this Agreement, and the terms, conditions, and specifications of the Participating Addendum are incorporated in the Agreement by this reference. The "City of Glendale"

shall be substituted for "State of Arizona" or similar reference to the State of Arizona throughout the Participating Addendum.

3. Compensation. The total purchase price for the individual purchase order(s) placed by the ordering authority will not exceed its stated dollar amount unless otherwise modified to increase the funded amount.

4. Payments. The City shall pay Contractor in the name of the ordering authority stated on the purchase order.

5. Cancellation. This Agreement may be cancelled pursuant to ARIZ. REV. STAT. § 38-511.

6. E-verify. Contractor complies with ARIZ. REV. STAT. § 23-214 and agrees to comply with the requirements of ARIZ. REV. STAT § 41-4401.

[SIGNATURES ON FOLLOWING PAGE]

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

"City"

City of Glendale, an Arizona
municipal corporation

By:_____
Brenda S. Fischer, City Manager

"Contractor"

International Business Machines Corporation
a New York corporation

By: K Schneider

Name: _Karen Schneider_____

Title: _WSCA-NASPO Nat'l Pgm. Mgr. _

Approved as to Form:

_____
Michael D. Bailey, City Attorney

Exhibit A

[See copy of Contract Number ADSPO10-00000018 on file with Glendale Materials Management and the State of Arizona]

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**AUTHORIZATION TO ENTER INTO A MAIN EXTENSION AGREEMENT WITH EPCOR WATER ARIZONA, INC. TO SUPPLY WATER FOR LOOP 303 LANDSCAPING**
Staff Contact:	**Cathy Colbath, Interim Assistant Executive Director, Transportation Services**

Purpose and Recommended Action

Staff is requesting City Council waive reading beyond the title and adopt an ordinance authorizing the City Manager to enter into a main extension agreement with EPCOR Water Arizona, Inc. (EPCOR) to supply water for Loop 303 landscaping. This agreement will allow for construction of a waterline extension needed to deliver irrigation water to landscaping along Loop 303, and assignment of the waterline easement from the city to EPCOR.

Background

The Loop 303 Freeway is planned as a high-capacity, six-lane controlled access freeway connecting I-17 to I-10 in the West Valley. Construction of additional travel lanes on Loop 303 is complete between Mountain View Boulevard and Glendale Avenue. The last segment to be constructed in Glendale, from Glendale Avenue to Camelback Road, is currently underway and anticipated to be completed in the summer of 2014. The entire Loop 303 corridor between I-10 and Grand Avenue, including interchanges at Grand Avenue and I-10, will be completed by 2015.

This proposed main extension agreement is necessary for EPCOR, the water utility company serving this area, to supply and deliver water for Loop 303 landscaping. This will be an eight-inch waterline approximately 965 feet in length and located one-quarter mile south of Northern Avenue, extending one-quarter mile west of Loop 303. It will extend an existing EPCOR waterline and deliver the water to Loop 303 landscaping. The city designed the waterline extension and EPCOR will construct and install the waterline and, upon completion, EPCOR will own, operate and maintain it.

In September 2011, the city acquired a permanent waterline easement from White Tanks Storage, Inc. to accommodate this proposed waterline extension to Loop 303. In addition to approval of this main extension agreement, approval is needed for the city to assign the waterline easement to EPCOR for the purpose of installing, operating and maintaining the waterline extension.

Analysis

Staff is recommending Council enter into a main extension agreement with EPCOR because EPCOR is the utility company authorized to provide water to this area. Alternatives considered by staff included: 1) no landscaping and no waterline; 2) city constructs and operates its own waterline; and 3) city constructs the waterline and turns it over to EPCOR to own and operate.

A landscaping option was selected because attractive landscaping on Loop 303 will help ensure an aesthetically pleasing roadway that will attract quality economic development to the city. Staff considered using a Glendale-owned waterline as an alternative to conveying it to EPCOR; however, owning, operating and maintaining a waterline would not be cost-effective because there are no other city waterlines in this area. Additionally, the agreement allows full recovery of the cost of the waterline based on the following:

- The main extension agreement's commitment to refund the city 10% of water fees for all waterline users for up to 10 years.
- Ongoing costs that the city will not need to pay to operate and maintain this single, isolated waterline over its estimated 70-year life.

Construction of improvements to Loop 303 within the City of Glendale is scheduled for completion by April 2014. Irrigation installation and landscaping construction will begin at that time; therefore, the waterline must be completed by spring 2014.

Previous Related Council Action

On January 10, 2012, Council approved two intergovernmental agreements with the Arizona Department of Transportation (ADOT) for installation of infrastructure as part of the Loop 303 Freeway construction project.

Community Benefit/Public Involvement

The proposed infrastructure improvements on Loop 303 will help traffic congestion, provide irrigation for landscaping and include bridge design features to enhance regional mobility in the West Valley and attract quality development along Loop 303.

On May 6, 2010, ADOT staff presented the proposed widening of Loop 303 and concept drawings for proposed landscaping and bridge design to the Citizen's Transportation Oversight Commission for their review and input.

On April 14, 2010, and April 13, 2011, ADOT staff presented proposed improvements on Loop 303 during the Annual GO Program meeting.

Budget and Financial Impacts

Cost	Fund-Department-Account
$153,694	**2210-65090-551200, L303 Landscape and Design**

The total estimated cost for design and construction of this waterline is $213,962. Of this total, EPCOR is owed $153,694. The remaining costs include city expenses for property acquisition services, permits, engineering, design and administration services.

This agreement allows for a portion of the cost to be refunded to the city by EPCOR over the course of the next 10 years. All construction-related costs are eligible for refund, with the exception of an $82,000 meter hookup fee. The anticipated refund is currently estimated at $131,962.

Funding is available in the FY 2013-14 capital improvement plan. The cost of the waterline will be charged to the Loop 303 Landscape and Design account, which is funded by the Transportation Sales Tax Fund.

The ongoing cost of water for Loop 303 landscaping, from Camelback Road to Peoria Avenue, is estimated at $165,000 annually. Transportation staff will submit a supplemental budget request during the Fiscal Year 2015-16 budget process for this expense, which will be paid from the Transportation Sales Tax Fund operating budget (CIP O&M Account, 1660-16590-513400).

Capital Expense? Yes ☒ No ☐

Budgeted? Yes ☒ No ☐

Requesting Budget or Appropriation Transfer? Yes ☐ No ☒

If yes, where will the transfer be taken from?

Attachments

Ordinance

Agreement

ORDINANCE NO. 2873 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE PERMANENT ASSIGNMENT OF A WATERLINE EASEMENT AT APPROXIMATELY NORTHERN AVENUE AND STATE ROUTE 303, IN CONJUNCTION WITH AN AGREEMENT TO CONSTRUCT A WATER MAIN EXTENSION, TO EPCOR WATER ARIZONA INC.; AND DIRECTING THE CITY CLERK TO RECORD A CERTIFIED COPY OF THIS ORDINANCE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the City Council, upon completion of the water main construction, hereby approves the permanent Assignment of Waterline Easement at approximately Northern Avenue and State Route 303 and all the terms and conditions thereto, and directs that the City Manager for the City of Glendale to execute said Assignment granting EPCOR Water Arizona Inc., a permanent easement upon, across, over and under the surface of certain real property, in the form attached hereto as Exhibit A. The legal description of said waterline easement is contained in the Assignment.

SECTION 2. That the City hereby reserves the right to use the easement premises in any manner that will not prevent or interfere with the exercise by EPCOR Water Arizona Inc. of the rights granted hereunder; provided, however, that the City shall not obstruct, or permit to be obstructed, the easement premises at any time whatsoever without the express prior written consent of EPCOR Water Arizona Inc.

SECTION 3. That the City Clerk be instructed and authorized to forward a certified copy of this ordinance for recording to the Maricopa County Recorder’s Office.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2014.

_____
M A Y O R

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager

e_northern303

WHEN RECORDED, RETURN TO:

City Clerk, City of Glendale
5850 West Glendale Avenue, Suite 455
Glendale, Arizona 85301

ASSIGNMENT OF WATERLINE EASEMENT

THIS ASSIGNMENT OF A WATERLINE EASEMENT ("the assignment") is made this _____ day of _____, 2013 by and between the CITY **OF GLENDALE**, an Arizona municipal corporation, as Assignor ("City"), and **EPCOR Water Arizona Inc.** An Arizona corporation, as Assignee (EPCOR") in order to complete all transactions and perform all acts necessary to install, construct, operate, maintain, inspect, repair, replace and add to water lines, attached facilities, including laterals and connections for the distribution of water, and appurtenant facilities (collectively, "Assignee's Facilities") upon, across, above and under the surface of the premises hereinafter described.

WHEREAS The City of Glendale, for valuable consideration, acquired a certain Easement (Maricopa County Recorder's office document No. 20110893080) on or across specific tract of land, granting to Assignor the right-of-way upon and across (over and under, as appropriate) such real property, the particulars of such Easement being more specifically described in the attached EXHIBIT A and made a part hereof for all purposes; and

WHEREAS, Assignor now desires to assign said Easement to the Assignee, and the Assignee desires to accept the assignments thereof under the following terms and conditions:

NOW, THEREFORE, in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby assigns to the Assignee, its successors in interest and assigns, all of its right, title, and interest in and of the Easement described in the attached EXHIBIT A. Assignee accepts the assignment of said Easement and hereby assumes and agrees to perform and fulfill all of the terms, covenants, conditions, and obligations which arise after the date hereof required of the Assignor under the afore described Easements.

This Agreement shall be binding on and inure to the benefit of the parties to this Agreement, their successors in interest and assigns.

IN WITNESS WHEREOF, the Assignor has executed this Easement as of the day and year first written below.

City of GLENDALE

By: _____

Its_____

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this ____day of _____, 2013 personally appeared _____, who acknowledged himself to be the _____ of **City of Glendale** and that he as such officer, being authorized to do so, executed the foregoing Assignment of Waterline Easement and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

_____
Name

_____
Title

My Commission expires:

_____

APPROVED AS TO FORM:

_____
City Attorney

EXHIBIT A

Unofficial
Document

WHEN RECORDED, RETURN TO:

City Clerk, City of Glendale
5850 West Glendale Avenue, Suite 455
Glendale, Arizona 85301

EA
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WATERLINE EASEMENT

In consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, **WHITE TANKS STORAGE, INC., an Arizona corporation, also shown of record as WHITE TANK STORAGE, INC., an Arizona corporation** ("Grantor"), does hereby give, grant and convey to **CITY OF GLENDALE**, an Arizona municipal corporation, and its successors and assigns (collectively, "Grantee"), a perpetual easement and a free, uninterrupted and unobstructed right of way to install, construct, operate, maintain, inspect, repair, replace and add to water lines, attached facilities, including laterals and connections for the distribution of water, and appurtenant facilities (collectively, "Grantee's Facilities") upon, across, above and under the surface of the premises hereinafter described.

The property of Grantor subject to the easement and right of way granted herein is more particularly described in Instrument No. 10-0535961, Records of Maricopa County, Arizona, ("Grantor's Premises"). The easement and right of way granted herein encompass the premises described in Exhibits A, A1, B and B1 attached hereto and by this reference made a part hereof.

Together with the right to Grantee, either using its own personnel or contractors, to (i) enter in and upon the easement and right of way granted herein with personnel and machinery, vehicles and material at any and all times to install, operate, repair, replace, maintain, remove and add to Grantee's Facilities, (ii) remove trees, bushes, undergrowth and other obstructions interfering with Grantee's enjoyment of its rights granted herein, and (iii) do anything necessary, useful or convenient for the enjoyment of its rights granted herein, with access to and egress from the easement granted herein to permit normal operations of Grantee in connection with Grantee's Facilities. Grantee will have unrestricted access to the easement granted herein for activities described above and formal notification of or approval by any entity or association prior to accessing the easement will not be required. Grantor acknowledges that Grantee's Facilities are or will be above and below ground and that the installation, construction, maintenance, repair and replacement of, or addition to, Grantee's Facilities may require the use of heavy equipment by Grantee. Additionally, these facilities may require maintenance and/or repair anytime, day or night.

The right of Grantor to freely use and enjoy its interest in the premises is reserved to Grantor, its successors and assigns insofar as the exercise thereof does not endanger or interfere with Grantee's exercise of its rights under this Easement or with Grantee's Facilities located within the easement granted hereby. Without limiting the generality of the foregoing, Grantor shall have the right to construct and erect fences, to install landscaping, parking facilities and driveways, and to establish other uses which are not inconsistent with Grantee's uses within the limits of the easement granted herein and in a manner which will not unreasonably interfere with Grantee's rights granted under this Easement. Notwithstanding the foregoing, (i) Grantor shall not erect or construct or permit to be erected or constructed any building, structure or similar improvement within the limits of the easement granted herein, (ii) Grantor shall not, nor permit, the grade over Grantee's facilities to be substantially altered without, in each instance, the prior written consent of Grantee, and (iii) Grantor agrees that no other pipes or conduits shall be placed within the premises subject to the easement granted herein, except pipes crossing Grantee's Facilities at right angles, in which case, a minimum vertical distance of two (2) feet (as measured from the closest points on the outside edges) shall be maintained between Grantee's Facilities and such other pipes or conduits. Unless Grantee's expressly consents in writing otherwise, any and all sewer pipes crossing the easement granted herein shall be laid below Grantee's Facilities.

This Easement and the rights granted to Grantee herein constitute a covenant running with the land for the benefit of Grantee and shall be binding upon Grantor and its successors and assigns. Grantee shall have the full and unrestricted right to assign all or any of its rights hereunder to one or more third parties for the uses herein permitted, individually or jointly with Grantee. Grantor further warrants and covenants to Grantee that Grantor is the owner in fee simple of Grantor's Premises and has good title to convey the rights granted hereunder to Grantee and that Grantee shall quietly enjoy the easement and right of way granted herein.

IN WITNESS WHEREOF, the Grantor has executed this Easement as of the day and year first written below.

WHITE TANKS STORAGE, INC., an Arizona corporation,
also shown of record as WHITE TANK STORAGE, INC., an Arizona corporation

By: Bob Garland
Its Secretary

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

OFFICIAL SEAL
CHRISTINE A. LEITCH
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires July 18, 2012

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this 22nd day of Sept, 2011 personally appeared Bob Garland, who acknowledged himself to be the Secretary of **WHITE TANKS STORAGE, INC., also shown of record as WHITE TANK STORAGE, INC.,** and that he as such officer, being authorized to do so, executed the foregoing Waterline Easement and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Christine A. Leitch
Name

Unofficial Document

Title

My Commission expires:

July 18, 2012

APPROVED AS TO FORM:

Craig Tindall, City Attorney

URS

EXHIBIT "A"

LEGAL DESCRIPTION FOR
NEW WATERLINE EASEMENT

That portion of a certain property described in Instrument No. 10-0535961, records of Maricopa County, Arizona, said property lying within the Northwest quarter of Section 1, Township 2 North, Range 2 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, said portion being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 1 (brass cap in handhole) from which the North quarter corner of said Section 1 (aluminum cap flush) bears South 89°48'26" East, 2633.29 feet;

thence South 89°48'26" East, 1355.75 feet along the North line of said Northwest quarter of Section 1;

thence departing said North line South 00°11'34" West, 65.00 feet to the South right of way of West Northern Avenue and the Northeast corner of a 40.00 foot Ingress and Egress easement set forth as "PARCEL NO. 2" in Instrument No. 08-0848861, records of Maricopa County, Arizona;

thence departing said South right of way South 00°54'20" West, 731.96 feet along the East line of said 40.00 foot Ingress and Egress easement to the POINT OF BEGINNING;

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thence departing said East line South 89°48'14" East, 960.91 feet to the proposed westerly right of way of State Route 303 (S.R. 303);

thence South 06°55'15" East, 12.09 feet along said proposed westerly right of way to a southerly line of said certain property;

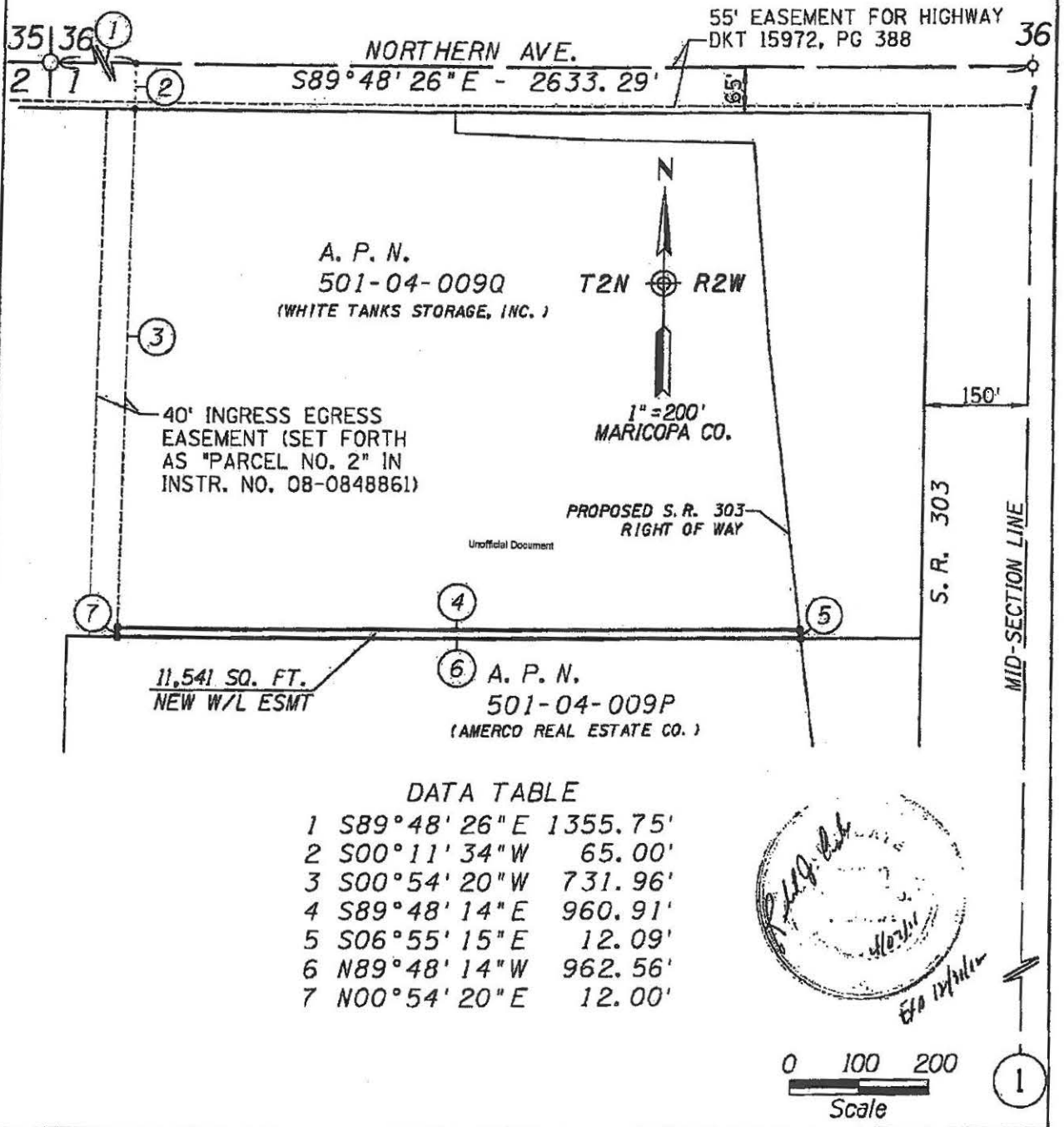
thence departing said proposed right of way North 89°48'14" West, 962.56 feet along said southerly line to the Southeast corner of said 40.00 foot Ingress and Egress easement;

thence departing said southerly line North 00°54'20" East, 12.00 feet along said East line of 40.00 foot Ingress and Egress easement to the POINT OF BEGINNING.

Said New Waterline Easement contains 11,541 square feet or 0.2649 acres more or less.

EXHIBIT A1
NEW WATERLINE EASEMENT

THAT PORTION OF A CERTAIN PROPERTY DESCRIBED IN INSTR. NO. 10-0535961 RECORDS OF MARICOPA COUNTY, ARIZONA, LYING WITHIN THE NW4 OF SECTION 1, T2N, R2W, OF THE G&SRM, MARICOPA COUNTY, ARIZONA



Unofficial Document

DATA TABLE

1	S89°48'26"E	1355.75'
2	S00°11'34"W	65.00'
3	S00°54'20"W	731.96'
4	S89°48'14"E	960.91'
5	S06°55'15"E	12.09'
6	N89°48'14"W	962.56'
7	N00°54'20"E	12.00'

URS
7720 North 16th Street
Suite 100 - Phoenix, AZ
85020 - 602.371.1100

GLENDALE ONBOARD TRANSPORTATION PROGRAM

NORTHERN AVE. & S.R. 303

URS

EXHIBIT "B"

LEGAL DESCRIPTION FOR
NEW WATERLINE EASEMENT

That portion of a certain property described in Instrument No. 10-0535961, records of Maricopa County, Arizona, said property lying within the Northwest quarter of Section 1, Township 2 North, Range 2 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, said portion being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 1 (brass cap in handhole) from which the North quarter corner of said Section 1 (aluminum cap flush) bears South 89°48'26" East, 2633.29 feet;

thence South 89°48'26" East, 1355.75 feet along the North line of said Northwest quarter of Section 1;

thence departing said North line South 00°11'34" West, 65.00 feet to the South right of way of West Northern Avenue and the Northeast corner of a 40.00 foot Ingress and Egress easement set forth as "PARCEL NO. 2" in Instrument No. 08-0848861, records of Maricopa County, Arizona;

thence departing said South right of way South 00°54'20" West, 731.96 feet along the East line of said 40.00 foot Ingress and Egress easement to the POINT OF BEGINNING;

Unofficial Document

thence continuing South 00°54'20" West, 12.00 feet along said East line to the Southeast corner of said 40.00 foot Ingress and Egress easement and a southerly line of said certain property described in Instrument No. 10-0535961;

thence North 89°48'14" West, 21.38 feet along the line common to said South line of a 40.00 foot Ingress and Egress easement and said southerly line of certain property;

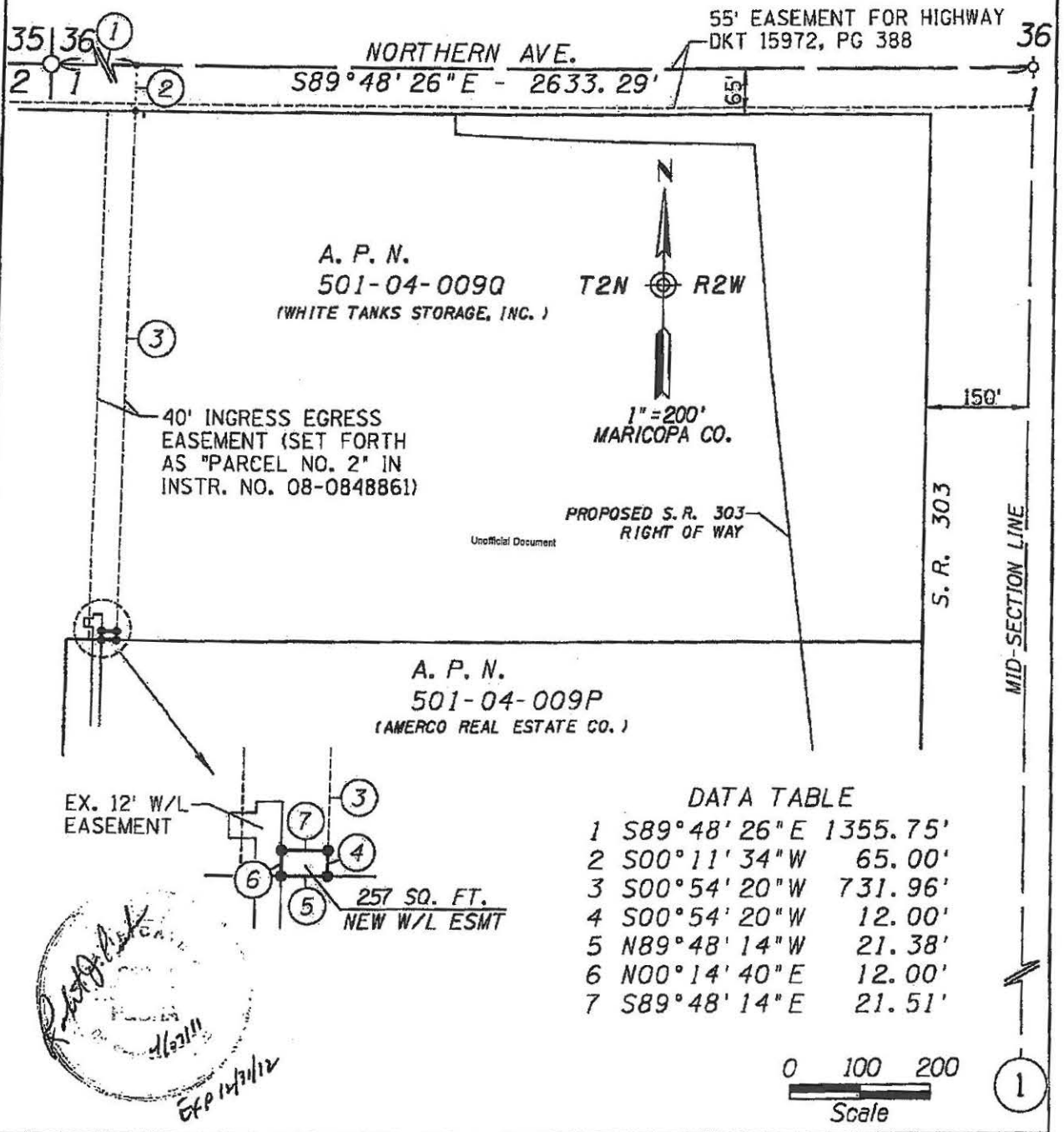
thence departing said common line North 00°14'40" East, 12.00 feet;

thence South 89°48'14" East, 21.51 feet to the POINT OF BEGINNING.

Said New Waterline Easement contains 257 square feet or 0.0059 acres more or less.

EXHIBIT B1
NEW WATERLINE EASEMENT

THAT PORTION OF A CERTAIN PROPERTY DESCRIBED IN INSTR. NO. 10-0535961 RECORDS OF MARICOPA COUNTY, ARIZONA, LYING WITHIN THE NW4 OF SECTION 1, T2N, R2W, OF THE G&SRM, MARICOPA COUNTY, ARIZONA



Unofficial Document

DATA TABLE

1	S89°48'26"E	1355.75'
2	S00°11'34"W	65.00'
3	S00°54'20"W	731.96'
4	S00°54'20"W	12.00'
5	N89°48'14"W	21.38'
6	N00°14'40"E	12.00'
7	S89°48'14"E	21.51'

Exp 12/31/12

URS
7720 North 16th Street
Suite 100 - Phoenix, AZ
85020 - 602.371.1100

GLENDALE ONBOARD TRANSPORTATION PROGRAM

NORTHERN AVE. & S.R. 303

MXA # 3445
WO # 283445
DISTRICT # 7F
W ☑ S ☐ W&S ☐

MAIN EXTENSION AGREEMENT

This MAIN EXTENSION AGREEMENT (this "Agreement") is made and entered into as of the _____ day of _____, 2014 ("Effective Date") by and between EPCOR Water Arizona Inc., an Arizona corporation ("Utility"), and City of Glendale, an Arizona municipal corporation ("City").

RECITALS:

A. The Federal Government has declared public water systems, including Utility's, to be critical infrastructure essential to the continued operation of the government and the nation.

B. Utility's water operations are governed by numerous federal and state statutes and regulations, and are subject to regulation by numerous federal and state agencies.

C. Utility is a public service corporation within the meaning of Article 15, Section 2, of the Arizona Constitution and is authorized to provide potable water ("Utility Service") within portions of Maricopa County, Arizona, in accordance with a Certificate of Convenience and Necessity (the "CC&N") granted by order of the Arizona Corporation Commission (the "Commission").

D. In connection with providing the Utility Service, Utility owns, operates and maintains an existing public water system adjacent to City's boundaries.

E. City is required to provide water service for irrigation along a portion of State Route 303 in Maricopa County (the "Irrigation Services"), but City does not have the water production or delivery infrastructure required to provide the Irrigation Services.

F. City has requested that Utility provide water service to City to enable City to provide the Irrigation Services.

G. Pursuant to Arizona Administrative Code § R14-2-406 (**Exhibit D**), Utility is permitted to require customers requesting new water service to pay for the required water system infrastructure improvements required for that new service.

H. In order for Utility to provide the requested water service to City, an extension to Utility's existing water system will be required, and Utility has no plans, and is under no obligations imposed by the Commission, as of the date of this Agreement to fund or construct that extension.

I. City, being obligated to provide the Irrigation Services, has determined that payment to Utility to construct the necessary extension to Utility's water delivery infrastructure to enable Utility to deliver water to City for the Irrigation Services at a delivery point within the CC&N constitutes a public purpose.

J. City has the authority, without infringing on Utility's rights as a public service corporation, to construct the necessary water production and delivery infrastructure to produce and deliver the water required by City for the provision of the Irrigation Services. The construction of such a "stand alone system" would require City to, among other things, acquire the necessary water rights and construct all of the necessary infrastructure to produce, transport and deliver the irrigation water. Following such construction, City would be required to own, operate, maintain and, when appropriate, replace the components of such infrastructure.

K. City has determined that it is in the best interests of City and its residents that, instead of building a "stand alone water system" for the Irrigation Services, City pay Utility to construct

the extension to Utility's public utility water system to render that system capable of delivering the desired water to City at a delivery point within the CC&N.

L. Pursuant to this Agreement, City will be required to obtain Utility's approval of City's plans for the construction by Utility of the required extension to Utility's water system, and, following Utility's construction of that extension, Utility will assume the ongoing ownership, operation and maintenance of the extension.

M. Utility and City must obtain certain regulatory approvals before the contemplated extension to Utility's water delivery system can be constructed by Utility.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties, each intending to be legally bound by this Agreement, hereby agree as follows:

1 DEFINITIONS: In addition to terms defined elsewhere in this Agreement, the following terms shall be defined as follows:

1.1 "ADEQ" means Arizona Department of Environmental Quality.

1.2 "City Authorizations" means, collectively, all of the permits and similar authorizations from regulatory agencies and other governmental agencies required by law or regulation to approve the City's engineered plans and specifications to allow Utility to construct the Main Extension, such as the Certificate of Approval to Construct as issued by the applicable regulatory agency.

1.3 "Days" means calendar days.

1.4 "Main Extension" means the pipelines, valves, hydrants, meters, services and other related water distribution appurtenances, as set forth in **Exhibits A and B**, necessary for Utility to deliver water to City, at a delivery point within the CC&N, for its provision of the Irrigation Services.

1.5 "Utility Authorizations" means, collectively, all of the authorizations that may be required by law or regulation for Utility to deliver water to City for its provision of the Irrigation Services, including, without limitation, certificates of convenience and necessity, operating agreements, franchises, permits and similar authorizations obtained from regulatory agencies and other governmental agencies, and all of the zoning clearances, construction permits and similar authorizations from regulatory agencies and other governmental agencies required by law or regulation for construction of the Main Extension by Utility.

2 AUTHORIZATIONS

2.1 Utility shall on a timely basis take all commercially reasonable steps necessary and use commercially reasonable efforts to obtain and renew all of the Utility Authorizations.

2.2 City shall on a timely basis take all commercially reasonable steps necessary and use all commercially reasonable efforts to obtain and renew all of the City Authorizations.

2.3 Utility's obligations hereunder are contingent upon its ability to obtain all of the Utility Authorizations and upon City obtaining all of the City Authorizations.

2.4 Water utility services provided by Utility to City to enable City to provide the Irrigation Services will be provided outside of this Agreement and pursuant to Utility's applicable rate tariff and the Commission's applicable rules and regulations.

3 MAIN EXTENSION

3.1 City will design, or cause to be designed, the Main Extension as approved by Utility in accordance with the terms of this Agreement. After Utility completes construction of the Main Extension, Utility will create, or cause to be created, as-built engineering plans of the Main Extension. City's costs for designing the Main Extension and obtaining all of the City Authorizations are refundable advances-in-aid-of-construction that are subject to refund in accordance with Paragraph 6.1.

3.2 Utility agrees to construct, own, operate and maintain an 8-inch waterline extension of approximately 965 feet for the purpose of furnishing Irrigation Services to the City. The estimated schedule of materials, unit quantities, and construction costs are set forth in **Exhibit B**.

3.3 As a condition to Utility's commencement of any construction activities with respect to the Main Extension, City will pay Utility, as a refundable advance-in-aid-of-construction, the amount of $71,694.00 (the "Advance") for the Main Extension, which represents Utility's estimate of the cost of constructing the Main Extension as required for Utility's delivery of Utility Service to the City. The Advance includes all of the costs of constructing, installing, and connecting the Main Extension including, but not limited to, the costs of materials, labor, transportation, equipment, testing, corrections, insurance, bonds, and engineering construction management activities including the cost to draft the as-built engineering plans and to obtain permits for operation of the Main Extension, and Utility's labor and overhead, but does not include profit to Utility. The Advance is subject to refund in accordance with Paragraph 6.1.

3.4 Upon Utility's completion of the construction of the Main Extension, Utility shall tabulate Utility's total costs of such construction for the Main Extension (the "Actual Costs"). If the amount of the Actual Costs for the Main Extension is less than the amount of the Advance, Utility will promptly refund to City an amount equal to the difference between the Advance and the Actual Costs. If the amount of the Actual Costs for the Main Extension is greater than the amount of the Advance, City will promptly pay to Utility an additional amount equal to the difference between the amount of the Actual Costs and the amount of the Advance.

3.5 City and Utility acknowledge and agree that the primary purpose for Utility's construction of the extension to Utility's water delivery system is to enable Utility to provide water to City for City's provision of the Irrigation Services. Utility confirms to City that City is being held to the same requirements as other new customers of Utility requesting water service that requires an extension of Utility's existing water delivery system. To the extent that the extension to be constructed results in an improvement to Utility's water delivery system, that improvement will be unavoidable and will be incidental to the primary purpose of that extension.

3.6 City shall, at no cost to Utility, and as a condition to Utility's commencement of construction of the Main Extension, grant or cause to be granted to Utility, a permanent easement, in a form reasonably satisfactory to Utility's legal counsel, for Utility's ownership, construction, operation, maintenance, replacement and removal of the Main Extension, including adequate access from public roadways. Each such easement shall be accompanied by a legal description stamped by a registered land surveyor in the State of Arizona and real property title report

reasonably satisfactory to Utility's legal counsel. The assignment of easement shall be according to the example included in **Exhibit C**.

4 PLAN REVIEW AND APPROVAL

4.1 City will submit the following items to Utility for its review and approval:

4.1.1 Plans and specifications for the Main Extension;

4.1.2 Estimated number and size of meters and services, including landscape, that will be required for Utility's delivery of water to City at a delivery point within the CC&N for its provision of the Irrigation Services; and

4.1.3 Other items reasonably requested by Utility.

4.2 Utility will review the plans and specifications for the Main Extension. Utility will promptly approve the plans and specifications in writing, or provide City written review comments indicating items that need to be corrected or modified. Utility will not unreasonably withhold or delay its approval. If the plans and specifications are not approved by Utility, City will correct or modify the plans and specifications to address Utility's review comments and resubmit the plans and specifications for Utility's review and approval.

5 CONSTRUCTION REQUIREMENTS

5.1 With respect to the Main Extension, Utility estimates a construction start date of March 24, 2014, and a construction completion date of May 30, 2014.

5.2 Utility will not commence construction of the Main Extension until the following conditions are satisfied:

5.2.1 Utility has approved the plans and specifications in accordance with Section 4 of this Agreement;

5.2.2 This Agreement is approved by the Utilities Division of the Commission;

5.2.3 Utility has obtained all required Utility Authorizations;

5.2.4 City has delivered to Utility copies of all paid bills, invoices and other statements of expenses incurred by City covering all of the costs of engineering the Main Extension;

5.2.5 City has obtained, at its cost, all of the City Authorizations and other permits, zoning, easements and other approvals that are required by applicable law in advance of City's design and Utility's construction of the Main Extension;

5.2.6 City has paid to Utility the Advance in accordance with Paragraph 3.3;

5.2.7 City has granted all rights-of-way and easements to Utility in accordance with Paragraph 3.6.

5.3 All plans, specifications, construction and installation of the Main Extension shall be in accordance with good utility and engineering practices, the rules, regulations and requirements of ADEQ, Utility's specifications and details, and the requirements of all other governmental agencies having jurisdiction over the Main Extension or

Utility's delivery of water to City.

5.4 Utility reserves the right to deem its plan approval null and void if City does not meet all of its obligations under Paragraphs 5.2.3, 5.2.4, 5.2.5, 5.2.6 and 5.2.7 within one year after the date of Utility's initial plan approval. If Utility deems the plan approval null and void, City must resubmit plans and specifications for Utility's written approval.

5.5 Utility reserves the right to deem this Agreement null and void if City does not meet all of its obligations under Paragraphs 5.2.3, 5.2.4, 5.2.5, 5.2.6 and 5.2.7 within one year after the Effective Date of this Agreement. If City has not met all of its obligations under Paragraphs 5.2.3, 5.2.4, 5.2.5, 5.2.6 and 5.2.7 within one year after the date of this Agreement, City may issue a written request to Utility for an extension of this Agreement. Utility's response to any such request for extension will not be unreasonably delayed, but will be within Utility's sole discretion. If Utility deems this Agreement null and void, Utility will provide written notice of cancellation of this Agreement to City.

6 FEES AND REFUNDS:

6.1 The City's costs and fees that are defined under this Agreement and the Utility's then-current tariffs to be refundable advances-in-aid-of–construction, will be refunded by Utility in accordance with Arizona Administrative Code Sec. R14-2-406.(D) in force and effect on the Effective Date. A copy of the Arizona regulation is attached as **Exhibit D**. Any fees that are defined as contributions-in-aid-of-construction are non-refundable. For refundable advances-in-aid-of-construction (see **Exhibit E**), the amount to be refunded annually shall be ten percent (10%) of Utility's total gross revenues (excluding all gross receipts taxes, sales taxes and district, municipal, county, state and federally imposed regulatory assessments) derived from the provision of water service to each bona fide consumer (including City) whose service line is connected to the Main Extension. Refunds shall be payable for a period of ten (10) years from the date of completion of construction of the Main Extension, but in no event shall the refunds paid to City exceed the total amounts paid by City as advances-in-aid-of-construction. Any unrefunded balance of such advances remaining at the end of the applicable refund period shall become non-refundable. No interest shall be paid on any amount advanced by City.

6.2 City will pay in accordance with the terms of Utility's then-current tariffs, all applicable fees as specified in those tariffs, including, if applicable, a hook-up fee, for all water meters based on the estimated quantity and size to be installed for Utility's delivery of water to City for its provision of the Irrigation Services. Unless otherwise provided in an applicable tariff, any meter installation fee is considered an advance-in-aid-of-construction and any hook-up fee is considered a non-refundable contribution–in-aid-of-construction. The Parties understand the fees paid by City pursuant to this Paragraph 6.2 will be based on the estimated quantity and size of water meters to be installed. Utility may from time to time perform audits to confirm quantity and size of meters actually installed. The audit may result in a true-up payment occurring from Utility to City because of overpayment or by City to Utility because of underpayment, evidenced by statement from Utility to City.

6.3 If Utility determines that all or any portion of City's advances-in-aid-of-construction under this Agreement constitute taxable income to Utility as of the date of this Agreement or at the time Utility actually receives such advance, City will advance funds to Utility equal to the income taxes incurred by Utility as a result of any applicable Internal Revenue Service ("IRS") or Arizona Department of Revenue ("ADR") determination. Such funds shall be paid to Utility within thirty (30) days

following Utility's notification to City that a determination has been made that any such advances constitute taxable income, whether by virtue of any determination or notification by a governmental authority, amendment to the Internal Revenue Code or the Arizona Revised Statutes, any regulation promulgated by the IRS or the ADR, or similar change to any statute, rule or regulation relating to this matter. Such notification shall include documentation reasonably necessary to substantiate Utility's liability for income taxes resulting from City's advances-in-aid-of-construction under this Agreement.

7 GENERAL PROVISIONS

7.1 Utility shall, upon (A) completion of construction of the Main Extension, (B) receipt of City's payment of all fees required under this Agreement or by the terms of any then-current and applicable tariffs approved by the Utilities Division of the Commission, and (C) receipt of the Certificate of Approval of Construction from the applicable regulatory agency, begin to deliver water to City for its provision of the Irrigation Services, which water delivery by Utility will be outside the scope of this Agreement. For the avoidance of doubt, none of Utility's deliveries of water to City for its provision of the Irrigation Services will be provided under this Agreement, although certain activities of the parties under this Agreement are conditions precedent to Utility's delivery of that water. Such rates, charges and tariffs are subject to change from time to time upon approval by the Utilities Division of the Commission. Utility has no obligation to deliver water to City for its provision of the Irrigation Services until completion of construction of the Main Extension has occurred and all applicable tariff fees have been paid in full by City.

7.2 City acknowledges that Utility has the right to, and may in the future, connect its existing or future water systems to the Main Extension.

7.3 Unless the Commission issues a final order to the contrary, Utility will not be liable for damages occasioned by interruptions or failure to commence service or unsatisfactory service or any act or failure to act arising out of this Agreement caused by an act of God or the public enemy, accident, fire, explosions, strikes, riots, war, delay in receiving shipments of required material, order of any court or judge granted in any bona fide adverse legal proceedings or action, or any order of any commission or tribunal having jurisdiction in the premises; or without limitation by the preceding enumeration, any other act or thing reasonably beyond its control or incident to interruptions necessary for repairs or changes in Utility's production, storage, transmission, distribution, collection, and other related facilities. The foregoing is not intended, and shall not be interpreted, to limit Utility's obligations as a public service corporation under applicable Arizona law or to limit City's right to seek recourse before the Commission for issues relating to Utility provision of, or failure to provide, water service to City.

7.4 Utility does not provide fire protection services and does not warrant, guarantee or represent that any water utility services it provides will comply with any fire-protection requirements of any governmental agency, or of any county, municipal, or private fire protection providers. Utility will allow public and private fire protection providers to use water from its system for fire-fighting purposes, provided that Utility's normal system demands are first met and water system pressure is not decreased to less than 20 pounds per square inch.

7.5 City will defend, indemnify and hold harmless Utility, its officers, directors, agents, and employees from and against any and all claims, damages, judgments, fines, penalties, assessments, costs and expenses, including attorneys' fees and court costs, to which they or any of them may be subjected by reason of injury, death,

loss, claim, penalty, assessment or damage caused or contributed to by the active or passive negligence or willful misconduct of City, its agents, servants, employees, contractors or subcontractors in the execution of, or failure to execute, City's obligations under this Agreement; provided, however, that City shall not be required to indemnify Utility to the extent of any negligent or wrongful acts of Utility, its officers, directors, agents or employees.

7.6 Utility will defend, indemnify and hold harmless City, its officials, agents, and employees from and against any and all claims, damages, judgments, fines, penalties, assessments, costs and expenses, including attorneys' fees and court costs, to which they or any of them may be subjected by reason of injury, death, loss, claim, penalty, assessment or damage caused or contributed to by the active or passive negligence or willful misconduct of Utility, its agents, servants, employees, contractors or subcontractors in the execution of, or failure to execute, Utility's obligations under this Agreement; provided, however, that Utility shall not be required to indemnify City to the extent of any negligent or wrongful acts of City, its officials, agents or employees.

7.7 The failure of either party to this Agreement to enforce any of the provisions of this Agreement or the waiver by either party of any of its rights under this Agreement in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision but the same shall, nevertheless, be and remain in full force and effect.

7.8 Communications under or relating to this Agreement shall be sent to City addressed as follows:

Robert J. Darr
Transportation Manager
5800 West Glenn Drive, Suite 315
Glendale, Arizona 85301

With copies 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

Or to such other address or addresses as City may advise Utility in writing, and to Utility at:

EPCOR Water Arizona Inc.
Attn: Director of Engineering
2355 West Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027

7.9 Nothing in this Agreement shall at any time be construed so as to create a relationship of employer and employee, partnership, principal and agent, or joint venturer as between Utility and City or to authorize or enable either party to incur any costs or expenses on behalf of the other party. City shall be solely responsible for the means, methods, techniques, sequences and procedures it utilizes in connection with the design of the Main Extension.

7.10 This Agreement is governed by and construed in accordance with the laws of the State of Arizona, without giving effect to its conflicts of laws provisions, and its

performance shall be subject to regulation by Arizona and federal regulatory agencies with jurisdiction. This Agreement shall be of no force or effect unless and until it is approved by the Utilities Division of the Commission. Utility shall submit it to the Utilities Division of the Commission promptly upon its execution by both of City and Utility.

7.11 This Agreement represents the entire understanding between the parties with respect to its subject matter, superseding all prior communications, understandings and agreements of or between the parties with respect to such subject matter. There are no oral or collateral agreements between the parties with respect to such subject matter. All changes or amendments to, and any termination of, this Agreement must be in writing and signed by Utility and City.

7.12 This Agreement shall be binding upon and inure to the benefit of Utility and City and their respective legal representatives, successors and assigns. City or Utility shall not assign its rights, obligations or interest in this Agreement without the prior written consent of the other party, and any attempted assignment without such consent shall be void and of no effect. There are no third-party beneficiaries under this Agreement.

7.13 All agreements with the City are subject to cancellation for conflicts of interest under the provision of A.R.S. § 38-511.

7.14 Utility 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.

[Signatures follow (next two pages)]

EPCOR Water Arizona Inc.
an Arizona corporation

_____

Printed Name: Shawn Bradford

Title: Director of Operations

Date: 1/14/14

Acknowledgment – EPCOR Water Arizona Inc.

STATE OF Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me on January 14, 2014 by Shawn Bradford [EPCOR Representative], Director of Operations [Title] of EPCOR Representative] of EPCOR Water Arizona Inc., an Arizona corporation, on behalf of the corporation.

Karan L Moore
Notary Public

My Commission expires: July 1, 2017

Seal:

KARAN L. MOORE
Notary Public, State of Arizona
Maricopa County
My Commission Expires
July 01, 2017

City of Glendale
an Arizona municipal corporation

_____

Printed Name:
Title:

Date: _____

APPROVED AS TO FORM:

_____
City Attorney

ATTEST:

_____
City Clerk (Seal)

LIST OF EXHIBITS

EXHIBIT A - Map of Main Extension

EXHIBIT B - Line Item Description of Main Extension and Construction Cost Estimate

EXHIBIT C - Example Assignment of Waterline Easement

EXHIBIT D - Arizona Administrative Code § R14-2-406.D

EXHIBIT E - Project Cost Estimate

EXHIBIT A

MAP OF MAIN EXTENSION

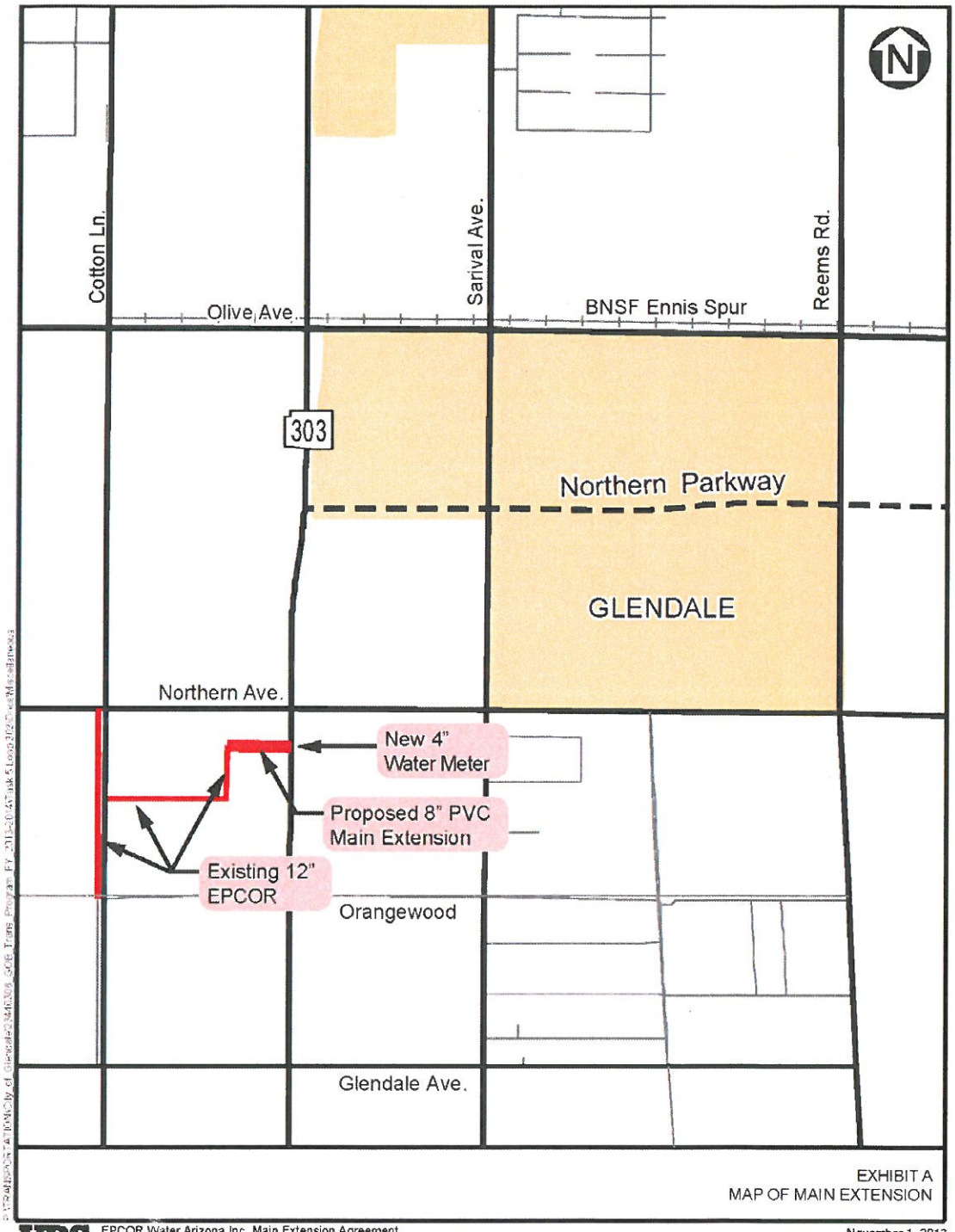


EXHIBIT A
MAP OF MAIN EXTENSION

URS EPCOR Water Arizona Inc. Main Extension Agreement
Loop 303 Waterline

November 1, 2013

EXHIBIT B

LINE ITEM DESCRIPTION OF MAIN EXTENSION AND CONSTRUCTION COST ESTIMATE

EXHIBIT B

SCHEDULE OF BID ITEMS

ITEM NO.	ITEM DESCRIPTION	UNITS	QTY	UNIT PRICE	TOTAL AMOUNT
1	Pavement Replacement per MAG STD Detail 200-1 "T-Top" Trench Repair.	SY	6	308.30	1849.80
2	Install 8-inch C-900 - Class 200 – DR14 Waterline Pipe per EPCOR STD Detail 350-1 (See Sheet C-2.03) with 4'-0" MIN Cover. Utilize Mechanical Joint Restraint Devices per Manufacturer requirements and install Thrust Blocks per MAG STD Detail 380.	LF	933	30.47	28428.51
3	Install 6-inch Ductile Iron Pipe. Restrain all joints per MAG STD Detail 303.	LF	10	39.73	397.30
4	Install 8-inch Ductile Iron Pipe. Restrain all joints per MAG STD Detail 303.	LF	20	80.32	1606.40
5	Connect to existing 12-inch Water Main, Install 8-inch Tapping Sleeve (Stainless Steel Cascade JCM Brand) and Valve per MAG STD Detail 340. Contractor to verify location and cover of existing water main.	EA	1	4199.71	4199.71
6	Above ground 4-inch compound water meter with strainer, enclosure, and concrete pad per EPCOR STD Detail 345-2 (See sheet C-2.03). Meter and Strainer provided by EPCOR after payment is received by Contractor.	EA	This cost includes $2,288 for the meter and strainer, and $82,000 for the Hook-Up Fee. 1	92999.15	92999.15
7	8-inch Resilient seated, solid wedge gate valve, box, and cover per MAG STD Detail 391-1. Concrete blocking for valve per COG STD Detail G-601.	EA	3	1309.84	3929.52
8	Cap 6-inch DIP at ADOT ROW limit with 2-inch tapped cap and install potable curb stop (Blow off) with 2-inch flushing pipe in steel meter box per EPCOR STD Detail 390-1 (See sheet C-2.03).	EA	1	807.35	807.35
9	Performance Bond	LS		1850.00	1850.00
10	Labor & Material Bond	LS		1850.00	1850.00
11	Insurance	LS		2815.00	2815.00
12	Construction Survey (incl. as-built surveying of fittings)	LS		2423.91	2423.91
14	Other Items Not Listed:				
15					
				TOTAL BID *	$143,156.65

NAME OF FIRM: NPL Construction DBA TPL Construction Co.

SIGNATURE: _____
(OFFICER OF COMPANY)

One Hundred Fourty three thousand one hundred fifty six Dollars
(IN WRITING)

AND Sixty five CENTS
(IN WRITING)

(THE WRITTEN WORD AMOUNT TAKES PRECEDENCE OVER THE FIGURE AMOUNT.)

* The total bid amount of $143,156.65 includes $2,288 for the meter and strainer, and $82,000 for the Hook-Up Fee.

EXHIBIT C

EXAMPLE ASSIGNMENT OF WATERLINE EASEMENT

WHEN RECORDED, RETURN TO:

City Clerk, City of Glendale
5850 West Glendale Avenue, Suite 455
Glendale, Arizona 85301

ASSIGNMENT OF WATERLINE EASEMENT

THIS ASSIGNMENT OF A WATERLINE EASEMENT ("the Assignment") is made this _____ day of _____, 2013 by and between the CITY **OF GLENDALE**, an Arizona municipal corporation, ("City"), and **EPCOR Water Arizona Inc.,** an Arizona corporation, as ("EPCOR") in order to complete all transactions and perform all acts necessary to install, construct, operate, maintain, inspect, repair, replace and add to water lines, and attached facilities, including laterals and connections for the distribution of water and appurtenant facilities (collectively, "Assignee's Facilities") upon, across, above and under the surface of the premises as described in Attachment 1.

RECITALS

A. For valuable consideration the City of Glendale, acquired a certain Easement (Maricopa County Recorder's office document No. 20110893080) on or across specific tract of land, granting to Assignor the right-of-way upon and across (over and under, as appropriate) the real property, as described in the attached EXHIBIT A of Attachment 1 and made a part hereof for all purposes; and

B. As part of the underlying Agreement between City and EPCOR, City now desires to assign the Easement to EPCOR, and EPCOR will accept the assignment.

ASSIGNMENT AND AGREEMENT

NOW, THEREFORE, in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City hereby assigns to the EPCOR, its successors in interest and assigns, all of its right, title, and interest in and of the Easement described in the attached ATTACHMENT 1. EPCOR accepts the Assignment of the Easement and agrees to perform and fulfill all of the terms, covenants, conditions, and obligations of the Assignment.

This Assignment shall be binding on and inure to the benefit of the parties, their successors-in–interest, and assigns.

IN WITNESS WHEREOF, the City has executed and Assigned this Easement as of the day and year first written below.

City of GLENDALE

By: _____
Its: _____

STATE OF ARIZONA)
) ss.
County of MARICOPA)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this ____day of _____, 2013 personally appeared _____, who acknowledged himself to be the _____ of City of Glendale and that he as such officer, being authorized to do so, executed the foregoing Assignment of Waterline Easement and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

_____
Notary Public

My Commission expires:

ATTEST:

_____

APPROVED AS TO FORM:

_____
City Attorney

Attachment 1

Unofficial
Document

WHEN RECORDED, RETURN TO:

City Clerk, City of Glendale
5850 West Glendale Avenue, Suite 455
Glendale, Arizona 85301

EA
ch

WATERLINE EASEMENT

In consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, **WHITE TANKS STORAGE, INC., an Arizona corporation, also shown of record as WHITE TANK STORAGE, INC., an Arizona corporation** ("Grantor"), does hereby give, grant and convey to **CITY OF GLENDALE**, an Arizona municipal corporation, and its successors and assigns (collectively, "Grantee"), a perpetual easement and a free, uninterrupted and unobstructed right of way to install, construct, operate, maintain, inspect, repair, replace and add to water lines, attached facilities, including laterals and connections for the distribution of water, and appurtenant facilities (collectively, "Grantee's Facilities") upon, across, above and under the surface of the premises hereinafter described.

The property of Grantor subject to the easement and right of way granted herein is more particularly described in Instrument No. 10-0535961, Records of Maricopa County, Arizona, ("Grantor's Premises"). The easement and right of way granted herein encompass the premises described in Exhibits A, A1, B and B1 attached hereto and by this reference made a part hereof.

Together with the right to Grantee, either using its own personnel or contractors, to (i) enter in and upon the easement and right of way granted herein with personnel and machinery, vehicles and material at any and all times to install, operate, repair, replace, maintain, remove and add to Grantee's Facilities, (ii) remove trees, bushes, undergrowth and other obstructions interfering with Grantee's enjoyment of its rights granted herein, and (iii) do anything necessary, useful or convenient for the enjoyment of its rights granted herein, with access to and egress from the easement granted herein to permit normal operations of Grantee in connection with Grantee's Facilities. Grantee will have unrestricted access to the easement granted herein for activities described above and formal notification of or approval by any entity or association prior to accessing the easement will not be required. Grantor acknowledges that Grantee's Facilities are or will be above and below ground and that the installation, construction, maintenance, repair and replacement of, or addition to, Grantee's Facilities may require the use of heavy equipment by Grantee. Additionally, these facilities may require maintenance and/or repair anytime, day or night.

The right of Grantor to freely use and enjoy its interest in the premises is reserved to Grantor, its successors and assigns insofar as the exercise thereof does not endanger or interfere with Grantee's exercise of its rights under this Easement or with Grantee's Facilities located within the easement granted hereby. Without limiting the generality of the foregoing, Grantor shall have the right to construct and erect fences, to install landscaping, parking facilities and driveways, and to establish other uses which are not inconsistent with Grantee's uses within the limits of the easement granted herein and in a manner which will not unreasonably interfere with Grantee's rights granted under this Easement. Notwithstanding the foregoing, (i) Grantor shall not erect or construct or permit to be erected or constructed any building, structure or similar improvement within the limits of the easement granted herein, (ii) Grantor shall not, nor permit, the grade over Grantee's facilities to be substantially altered without, in each instance, the prior written consent of Grantee, and (iii) Grantor agrees that no other pipes or conduits shall be placed within the premises subject to the easement granted herein, except pipes crossing Grantee's Facilities at right angles, in which case, a minimum vertical distance of two (2) feet (as measured from the closest points on the outside edges) shall be maintained between Grantee's Facilities and such other pipes or conduits. Unless Grantee's expressly consents in writing otherwise, any and all sewer pipes crossing the easement granted herein shall be laid below Grantee's Facilities.

Attachment 1

This Easement and the rights granted to Grantee herein constitute a covenant running with the land for the benefit of Grantee and shall be binding upon Grantor and its successors and assigns. Grantee shall have the full and unrestricted right to assign all or any of its rights hereunder to one or more third parties for the uses herein permitted, individually or jointly with Grantee. Grantor further warrants and covenants to Grantee that Grantor is the owner in fee simple of Grantor's Premises and has good title to convey the rights granted hereunder to Grantee and that Grantee shall quietly enjoy the easement and right of way granted herein.

IN WITNESS WHEREOF, the Grantor has executed this Easement as of the day and year first written below.

WHITE TANKS STORAGE, INC., an Arizona corporation,
also shown of record as WHITE TANK STORAGE, INC., an Arizona corporation

By: Bob Darland
Its Secretary

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

OFFICIAL SEAL
CHRISTINE A. LEITCH
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires July 18, 2012

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this 22nd day of Sept, 2011 personally appeared Bob Darland, who acknowledged himself to be the Secretary of **WHITE TANKS STORAGE, INC., also shown of record as WHITE TANK STORAGE, INC.,** and that he as such officer, being authorized to do so, executed the foregoing Waterline Easement and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Christine A. Leitch
Name

Unofficial Document

Title

My Commission expires:

July 18, 2012

APPROVED AS TO FORM:

Craig Tindall, City Attorney

Attachment 1

URS

EXHIBIT "A"

LEGAL DESCRIPTION FOR
NEW WATERLINE EASEMENT

That portion of a certain property described in Instrument No. 10-0535961, records of Maricopa County, Arizona, said property lying within the Northwest quarter of Section 1, Township 2 North, Range 2 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, said portion being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 1 (brass cap in handhole) from which the North quarter corner of said Section 1 (aluminum cap flush) bears South 89°48'26" East, 2633.29 feet;

thence South 89°48'26" East, 1355.75 feet along the North line of said Northwest quarter of Section 1;

thence departing said North line South 00°11'34" West, 65.00 feet to the South right of way of West Northern Avenue and the Northeast corner of a 40.00 foot Ingress and Egress easement set forth as "PARCEL NO. 2" in Instrument No. 08-0848861, records of Maricopa County, Arizona;

thence departing said South right of way South 00°54'20" West, 731.96 feet along the East line of said 40.00 foot Ingress and Egress easement to the POINT OF BEGINNING;

Unofficial Document

thence departing said East line South 89°48'14" East, 960.91 feet to the proposed westerly right of way of State Route 303 (S.R. 303);

thence South 06°55'15" East, 12.09 feet along said proposed westerly right of way to a southerly line of said certain property;

thence departing said proposed right of way North 89°48'14" West, 962.56 feet along said southerly line to the Southeast corner of said 40.00 foot Ingress and Egress easement;

thence departing said southerly line North 00°54'20" East, 12.00 feet along said East line of 40.00 foot Ingress and Egress easement to the POINT OF BEGINNING.

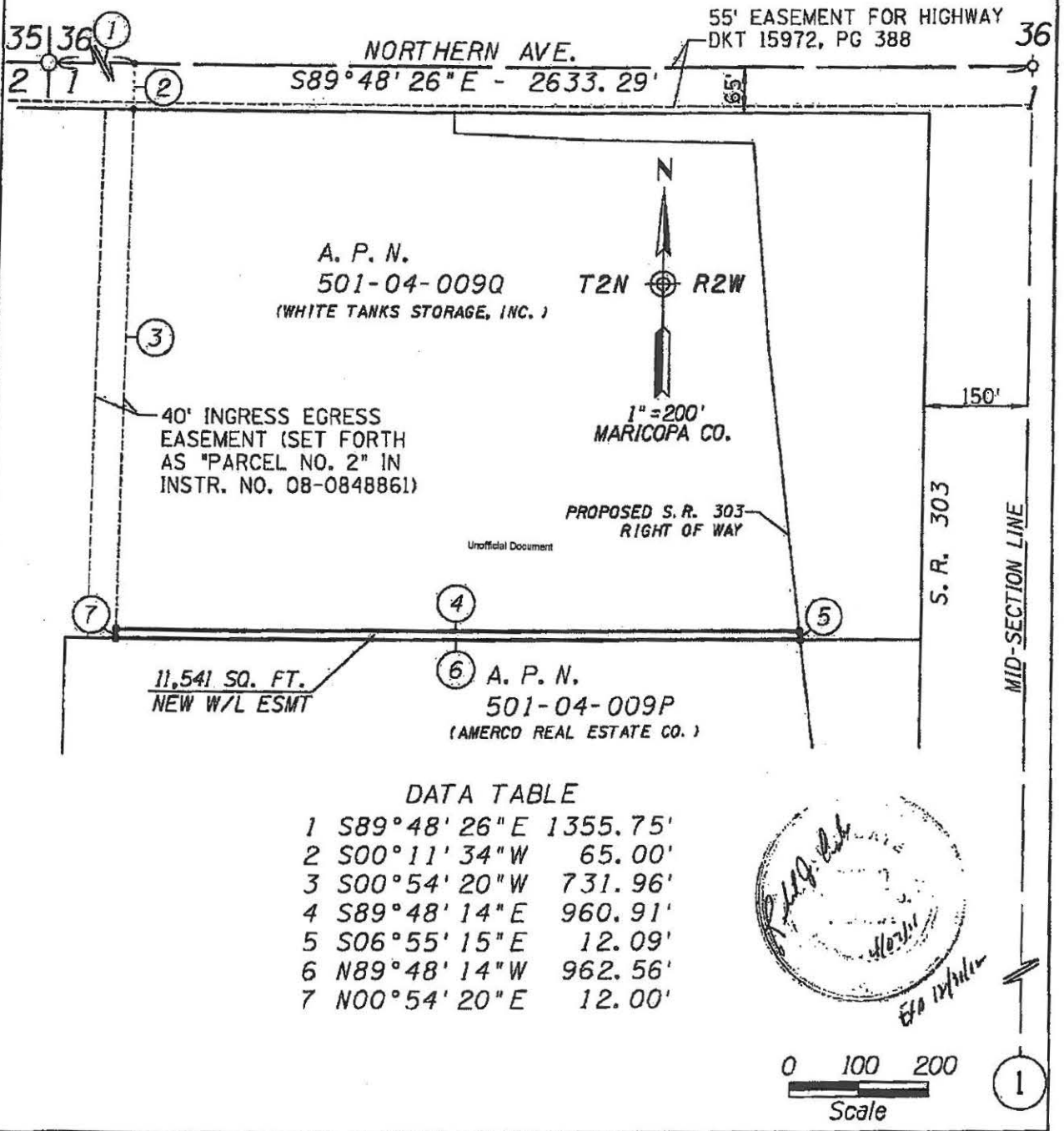
Said New Waterline Easement contains 11,541 square feet or 0.2649 acres more or less.

20110893080

Attachment 1

EXHIBIT A1
NEW WATERLINE EASEMENT

THAT PORTION OF A CERTAIN PROPERTY DESCRIBED IN INSTR. NO. 10-0535961 RECORDS OF MARICOPA COUNTY, ARIZONA, LYING WITHIN THE NW4 OF SECTION 1, T2N, R2W, OF THE G&SRM, MARICOPA COUNTY, ARIZONA



Unofficial Document

DATA TABLE

1	S89°48'26"E	1355.75'
2	S00°11'34"W	65.00'
3	S00°54'20"W	731.96'
4	S89°48'14"E	960.91'
5	S06°55'15"E	12.09'
6	N89°48'14"W	962.56'
7	N00°54'20"E	12.00'

URS
7720 North 16th Street
Suite 100 - Phoenix, AZ
85020 - 602.371.1100

GLENDALE ONBOARD TRANSPORTATION PROGRAM

NORTHERN AVE. & S.R. 303

Attachment 1

URS

EXHIBIT "B"

LEGAL DESCRIPTION FOR
NEW WATERLINE EASEMENT

That portion of a certain property described in Instrument No. 10-0535961, records of Maricopa County, Arizona, said property lying within the Northwest quarter of Section 1, Township 2 North, Range 2 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, said portion being more particularly described as follows:

COMMENCING at the Northwest corner of said Section 1 (brass cap in handhole) from which the North quarter corner of said Section 1 (aluminum cap flush) bears South 89°48'26" East, 2633.29 feet;

thence South 89°48'26" East, 1355.75 feet along the North line of said Northwest quarter of Section 1;

thence departing said North line South 00°11'34" West, 65.00 feet to the South right of way of West Northern Avenue and the Northeast corner of a 40.00 foot Ingress and Egress easement set forth as "PARCEL NO. 2" in Instrument No. 08-0848861, records of Maricopa County, Arizona;

thence departing said South right of way South 00°54'20" West, 731.96 feet along the East line of said 40.00 foot Ingress and Egress easement to the POINT OF BEGINNING;

Unofficial Document

thence continuing South 00°54'20" West, 12.00 feet along said East line to the Southeast corner of said 40.00 foot Ingress and Egress easement and a southerly line of said certain property described in Instrument No. 10-0535961;

thence North 89°48'14" West, 21.38 feet along the line common to said South line of a 40.00 foot Ingress and Egress easement and said southerly line of certain property;

thence departing said common line North 00°14'40" East, 12.00 feet;

thence South 89°48'14" East, 21.51 feet to the POINT OF BEGINNING.

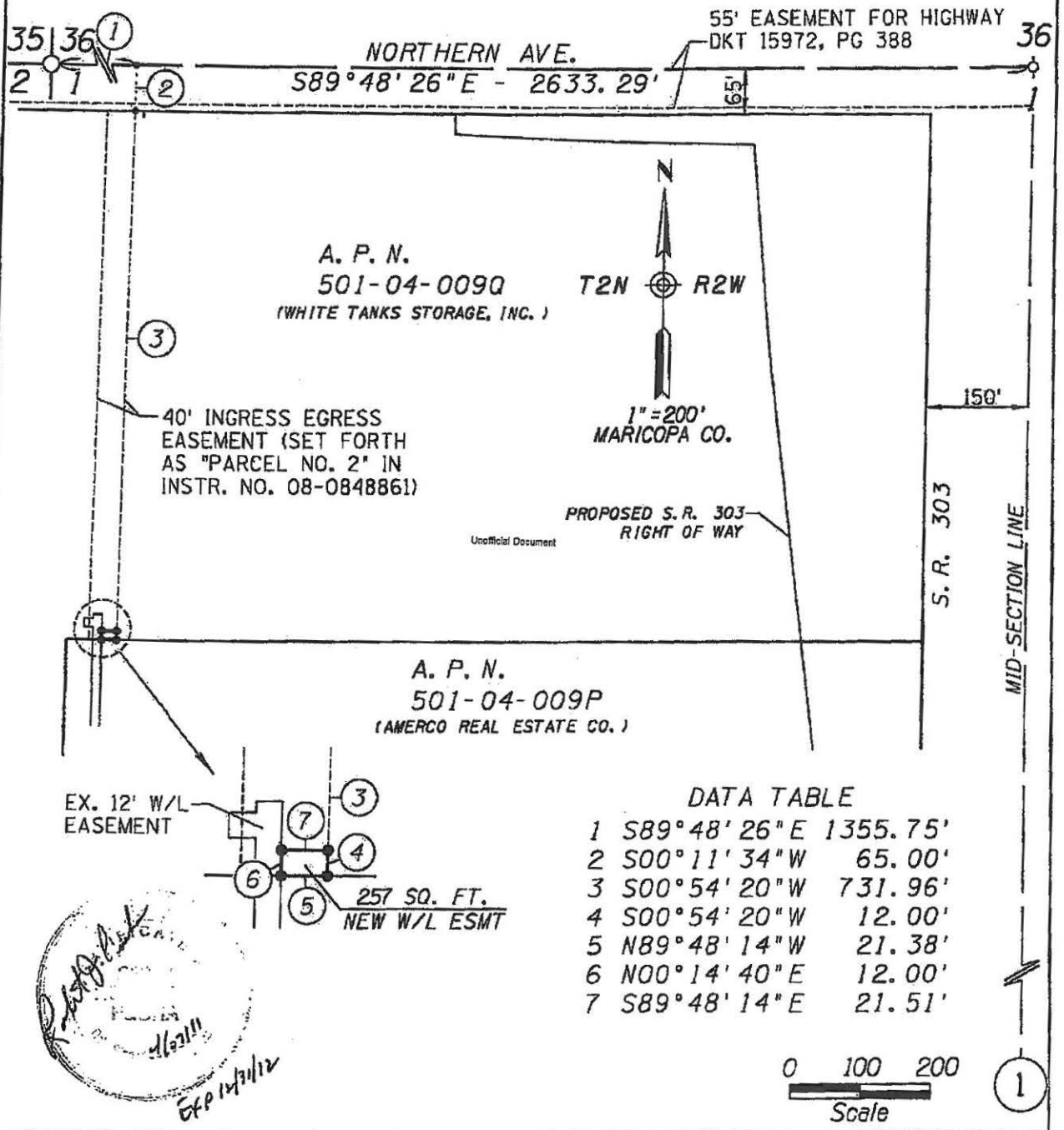
Said New Waterline Easement contains 257 square feet or 0.0059 acres more or less.

20110893080

Attachment 1

EXHIBIT B1
NEW WATERLINE EASEMENT

THAT PORTION OF A CERTAIN PROPERTY DESCRIBED IN INSTR. NO. 10-0535961 RECORDS OF MARICOPA COUNTY, ARIZONA, LYING WITHIN THE NW4 OF SECTION 1, T2N, R2W, OF THE G&SRM, MARICOPA COUNTY, ARIZONA



Unofficial Document

DATA TABLE

1	S89°48'26"E	1355.75'
2	S00°11'34"W	65.00'
3	S00°54'20"W	731.96'
4	S00°54'20"W	12.00'
5	N89°48'14"W	21.38'
6	N00°14'40"E	12.00'
7	S89°48'14"E	21.51'

Exp 12/31/12

URS 7720 North 16th Street Suite 100 - Phoenix, AZ 85020 - 602.371.1100

GLENDALE ONBOARD TRANSPORTATION PROGRAM

NORTHERN AVE. & S.R. 303

EXHIBIT D

ARIZONA ADMINISTRATIVE CODE R14-2-406.D

1. Each utility shall transmit to affected customers by the most economic means available a concise summary of any change in the utility's tariffs affecting those customers.
2. This information shall be transmitted to the affected customer within 60 days of the effective date of the change.

Historical Note

Adopted effective March 2, 1982 (Supp. 82-2).

R14-2-405. Service connections and establishments

A. Priority and timing of service establishments

1. After an applicant has complied with the utility's application and deposit requirements and has been accepted for service by the utility, the utility shall schedule that customer for service connection and/or establishment.
2. Service establishments shall be scheduled for completion within five working days of the date the customer has been accepted for service, except in those instances when the customer requests service establishment beyond the five working day limitation.
3. When the utility has made arrangements to meet with a customer for service establishment purposes and the utility or the customer cannot make the appointment during the prearranged time, the utility shall reschedule the service establishment to the satisfaction of both parties.
4. Each utility shall schedule service establishment appointments within a maximum range of four hours during normal working hours, unless another time-frame is mutually acceptable to the utility and the customer.
5. Service establishments shall be made only by qualified utility service personnel.
6. For the purposes of this rule, service establishments are where the customer's facilities are ready and acceptable to the utility and the utility needs only to install or read a meter or turn the service on.

B. Service lines

1. An applicant for service shall be responsible for the cost of installing all customer piping up to the meter.
2. An applicant for service shall pay to the utility as a refundable advance in aid of construction the sum as set forth in the utility's tariff for each size service and meter. Except where the refundable advances in aid of construction for meters and service lines have been included in refundable advances in aid of construction for line extensions and thus are refundable pursuant to main extension contracts approved by the Commission, each advance in aid of construction for a service line or meter shall be repaid by the utility by an annual credit of 1/10 of the amount received, said credit to be applied upon the water bill rendered in November of each year until fully paid, for each service and meter for which the advance was made, and said credit to commence the month of November for all such advances received during the preceding calendar year.
3. Where service is being provided for the first time, the customer shall provide and maintain a private cutoff valve within 18 inches of the meter on the customer's side of the meter, and the utility shall provide a like valve on the utility's side of such meter.
4. The Company may install its meter at the property line or, at the Company's option, on the customer's property in a location mutually agreed upon.
5. Where the meter or service line location on the customer's premises is changed at the request of the customer or due to alterations on the customer's premises, the customer shall provide and have installed at his expense all piping necessary for relocating the meter and the utility may make a charge for moving the meter and/or service line.
6. The customer's lines or piping must be installed in such a manner as to prevent cross-connection or backflow.
7. Each utility shall file a tariff for service and meter installations for Commission review and approval.

C. Easements and rights-of-way

1. Each customer shall grant adequate easement and right-of-way satisfactory to the utility to ensure that customer's proper service connection. Failure on the part of the customer to grant adequate easement and right-of-way shall be grounds for the utility to refuse service.
2. When a utility discovers that a customer or his agent is performing work or has constructed facilities adjacent to or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the utility's access to equipment, the utility shall notify the customer or his agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation at the customer's expense.

Historical Note

Adopted effective March 2, 1982 (Supp. 82-2). Amended subsection (B) effective September 28, 1982 (Supp. 82-5).

R14-2-406. Main extension agreements

A. Each utility entering into a main extension agreement shall comply with the provisions of this rule which specifically defines the conditions governing main extensions.

B. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all mains, including all valves and fittings.

1. In the event that additional facilities are required to provide pressure, storage or water supply, exclusively for the new service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future consumers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances in aid of construction to be paid to the Company.
2. Upon request by a potential applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts utility construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.
3. Where the utility requires an applicant to advance funds for a main extension, the utility shall furnish the applicant with a copy of the Commission rules on main extension agreements prior to the applicant's acceptance of the utility's extension agreement.

4. In the event the utility's actual cost of construction is less than the amount advanced by the customer, the utility shall make a refund to the applicant within 30 days after the completion of the construction or utility's receipt of invoices related to that construction.
5. The provisions of this rule apply only to those applicants who in the utility's judgment will be permanent customers of the utility. Applications for temporary service shall be governed by the Commission's rules concerning temporary service applications.

C. Minimum written agreement requirements
1. Each main extension agreement shall include the following information:
   a. Name and address of applicant(s)
   b. Proposed service address
   c. Description of requested service
   d. Description and map of the requested line extension
   e. Itemized cost estimate to include materials, labor, and other costs as necessary
   f. Payment terms
   g. A clear and concise explanation of any refunding provisions, if applicable
   h. Utility's estimated start date and completion date for construction of the main extension
2. Each applicant shall be provided with a copy of the written main extension agreement.

D. Refunds of advances made pursuant to this rule shall be made in accord with the following method: the Company shall each year pay to the party making an advance under a main extension agreement, or that party's assignees or other successors in interest where the Company has received notice and evidence of such assignment or succession, a minimum amount equal to 10% of the total gross annual revenue from water sales to each bona fide consumer whose service line is connected to main lines covered by the main extension agreement, for a period of not less than 10 years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company, however, agreements under this general order may provide that any balance of the amount advanced thereunder remaining at the end of the 10 year period set out, shall thereafter remain payable in whole or in part and in such manner as is set forth in the agreement. The aggregate refunds under this rule shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the utility on any amounts advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the particular main extension covered by the agreement.

E. Amounts advanced in aid of construction of main extensions shall be refunded in accord with the rules of this Commission in force and effect on the date the agreement therefor was executed. All costs under main extension agreements entered into after the adoption of this rule shall be refunded as provided herein.

F. The Commission will not approve the transfer of any Certificate of Public Convenience and Necessity where the transferor has entered into a main extension agreement, unless it is demonstrated to the Commission that the transferor has agreed to satisfy the refund agreement, or that the transferee has assumed and has agreed to pay the transferor's obligations under such agreement.

G. All agreements entered into under this rule shall be evidenced by a written statement, and signed by the Company and the parties advancing the funds for advances in aid under this rule or the duly authorized agents of each.

H. The size, design, type and quality of materials of the system, installed under this rule location in the ground and the manner of installation, shall be specified by the Company, and shall be in accord with the requirements of the Commission or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission or any other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions, shall comply with and conform to the following minimum specifications:
1. 150 p.s.i. working pressure rating and
2. 6" standard diameter.

However, single residential customer advances in aid of construction shall not exceed the reasonable cost of construction of the 6-inch diameter main extension.

I. All pipelines, valves, fittings, wells, tanks or other facilities installed under this rule shall be the sole property of the Company, and parties making advances in aid of construction under this rule shall have no right, title or interest in any such facilities.

J. The Company shall schedule all new requests for main extension agreements, and for service under main extension agreements, promptly and in the order received.

K. An applicant for service seeking to enter into a main extension agreement may request that the utility include on a list of contractors from whom bids will be solicited, the name(s) of any bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the utility. If a lower bid is thus obtained or if a bid is obtained at an equal price and with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company shall be required to meet the terms and conditions of the bid proffered, or to enter into a construction contract with the contractor proffering such bid. Performance bond in the total amount of the contract may be required by the utility from the contractor prior to construction.

L. Any discounts obtained by the utility from contracts terminated under this rule shall be accounted for by credits to the appropriate account dominated as Contributions in Aid of Construction.

M. All agreements under this rule shall be filed with and approved by the Utilities Division of the Commission. No agreement shall be approved unless accompanied by a Certificate of Approval to Construct as issued by the Arizona Department of Health Services. Where agreements for main extensions are not filed and approved by the Utilities Division, the refundable advance shall be immediately due and payable to the person making the advance.

Historical Note

Adopted effective March 2, 1982 (Supp. 82-2). Amended subsections (D) and (K) effective September 28, 1982 (Supp. 82-5). Amended to correct subsection numbering (Supp. 99-4).

R14-2-407. Provision of service

A. Utility responsibility. Each utility shall be responsible for providing potable water to the customer's point of delivery.

B. Customer responsibility
1. Each customer shall be responsible for maintaining all facilities on the customer's side of the point of delivery in

EXHIBIT E

PROJECT COST ESTIMATE

EXHIBIT E-1

EPCOR WATER

City of Glendale
Loop 303 Irrigation Waterline Extension

Cost Estimate

for the refundable Advance-in-Aid-of-Construction
per Paragraph 3.3 of the Main Extension Agreement

Construction of the Main Extensions — includes cost of material, labor, testing, equipment, taxes, insurance and bonds	$	58,869.00
Engineering Construction Management — includes cost to draft as-built engineering plans, special inspections, and to obtain permits for operation of the main extension		Included Above
Cost for a 4-inch Compound Meter and Strainer	$	2,288.00
Utility's Labor — includes cost of project management; inspections; testing; punchlists; reviews of as-built engineering plans; obtaining approval of the Main Extension Agreement from the Arizona Corporation Commission; processing meter application; etc.	$	3,641.00
Sub-Total	$	64,798.00
Utility's Overhead (7% of Sub-Total)	$	4,536.00
Contingency (10% of Sub-Total)	$	6,480.00
Remaining Credit from Deposit	$	(4,120.00)
TOTAL (the "Advance")	$	71,694.00
Hook-Up Fee for a 4-inch Meter (the non-refundable "Contribution") — per Paragraph 6.2 of the Main Extension Agreement	$	82,000.00
TOTAL OWED	$	153,694.00

Upon Utility's completion of the construction of the Main Extension, Utility shall tabulate Utility's total costs of such construction for the Main Extension (the "Actual Costs"). If the amount of the Actual Costs for the Main Extension is less than the amount of the Advance, Utility will promptly refund to City an amount equal to the difference between the Advance and the Actual Costs. If the amount of the Actual Costs for the Main Extension is greater than the amount of the Advance, City will promptly pay to Utility an additional amount equal to the difference between the amount of the Actual Costs and the amount of the Advance.

EXHIBIT E-2
Other Estimated City Costs
Waterline Extension to Loop 303
1/8/2014

Total Owed to Utility

(From Exhibit E-1; of this amount, $71,694 is an Advance)	$153,694

The following costs are estimates, and will be verified by Utility upon receipt of invoices from City per Paragraphs 3.1 and 5.2.4 of the Main Extension Agreement:

Construction Administration (City) = 4% of $58,869 (see Exhibit E-1)	$2,355
Easement and TCE	$14,708
Maricopa County Environmental Services Permit	$600
Engineering and Design (J2)	$12,002
Acquisition Services (OR Colan, Dennis Lopez, Motandan)	$9,068
Engineering, Acquisition and Coordination (URS)	$21,535
	$60,268

Estimated Total "Advances in Aid of Construction" (Subject to Refund)	$60,268
	$71,694
	$131,962

Estimated Total Project Cost	$153,694
	$60,268
	$213,962

CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**ADOPT AN ORDINANCE AMENDING GLENDALE CITY CODE, CHAPTER 26, ARTICLE II, SECTION 26-22 (OBSTRUCTING POLICE)**
Staff Contact:	**Debora Black, Police Chief**

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt an ordinance amending Glendale City Code Chapter 26, Article II, Section 26-22, relating to Obstructing Police.

Background

The current City Ordinance for Obstructing Police is unenforceable and has not been used for many years. It was brought to the City Prosecutors Office and Police Department's attention that cases involving currently-written Sec. 26-22 were being dismissed by the court in response to defense motions. The ordinance needs to be amended and has not been used since this issue was brought to their attention.

The manner in which the section is currently written does not specify that words alone cannot be considered obstruction. Whereas, the amended version specifically outlines that a person cannot be in violation of the obstruction statute by the utterance of words alone, regardless of how offensive or obscene they may be.

Analysis

I will be recommending that City council adopt an ordinance amending Glendale City Code Chapter 26 relating to Obstructing Police.

Attachments

Ordinance

ORDINANCE NO. 2874 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING GLENDALE CITY CODE, CHAPTER 26 (OFFENSES—MISCELLANEOUS), ARTICLE II (OFFENSES AGAINST ADMINISTRATION OF JUSTICE), SEC. 26-22 (OBSTRUCTING POLICE); AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That Glendale City Code, Chapter 26 (Offenses—Miscellaneous), Article II (Offenses Against Administration of Justice), Sec. 26-22 (Obstructing Police) is hereby amended to read as follows:

Sec. 26-22. Obstructing police.

~~Any person who shall knowingly or willfully obstruct, flee from, delay, resist or oppose any policeman authorized to make arrests, in serving or attempting to serve any lawful process or order of the city judge, performing or attempting to perform any official duty, or shall knowingly and willfully assault or beat any policeman when serving or attempting to serve any lawful process or order of the city judge, or when performing or attempting to perform any official duty, or because of having served or attempted to serve any lawful process or order of the city judge or because of having performed or attempted to perform any official duty, shall be guilty of a misdemeanor.~~

Any person who shall knowingly or willfully obstruct by fleeing from, delaying, resisting or opposing any police officer in the performance or attempted performance of any official duty shall be guilty of a misdemeanor. One cannot be in violation of this section by the utterance of words alone regardless of how offensive or obscene they may be.

SECTION 2. That the provisions of this ordinance shall become effective thirty (30) days after passage of this ordinance by the Glendale City Council.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2014.

_____
M A Y O R

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager

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CITY COUNCIL REPORT

Meeting Date:	**1/28/2014**
Meeting Type:	**Voting**
Title:	**ORDINANCE AMENDING THE ESTABLISHMENT OF THE GENERAL PLAN STEERING COMMITTEE**
Staff Contact:	**Jon M. Froke, AICP, Planning Director**

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt an ordinance amending the establishment of the General Plan Steering Committee.

The city's General Plan is required by state law to be periodically updated and the Planning Division is beginning this process. As part of the General Plan update, the Planning Division desires to be assisted by a Steering Committee of interested citizens and stakeholders in the community.

Background

The General Plan is required by state law and serves as the official policy statement of the city to guide the public and private development of the community through new development and redevelopment initiatives. Both content and character of the plan are largely proscribed by state statutes. Elements of the General Plan, both those required by state law as well as elements specific to Glendale make up the plan, along with goals, objectives, and policies for each element.

Preliminary work on the General Plan has begun and will continue through the rest of this year. Staff has developed the framework and a working title for the update to be known as "Glendale 2035." A Steering Committee will play an important role in the formation and development of this planning endeavor.

To assist with this endeavor, staff initially requested Council establish and appoint a Steering Committee to assist with the preparation of the General Plan. The Steering Committee members shall serve without compensation. The Mayor and each Councilmember may appoint no less than four members to serve on the Steering committee, with no less than seven members appointed by the Council as a whole. The total membership of the Steering Committee shall consist of no less than 21 members with a quorum being twelve. Staff will recommend an additional seven members for Council approval at large. Each member recommended will be processed through the existing standard protocol for all board and commission members. Current board or commission members will also be allowed to serve on this task force while serving their assigned appointment. The Steering Committee will be provided with an educational program/process covering topic pertinent to the writing of the General Plan.

CITY COUNCIL REPORT

Previous Related Council Action

At the January 14, 2014 Evening Meeting, Council adopted Ordinance 2872 New Series, relating to the establishment of the General Plan Steering Committee.

At the December 17, 2013 City Council Workshop, Council provided guidance to staff to continue with the formation of a Steering Committee for the update of the General Plan.

A presentation was made to the Government Services Committee on November 7, 2013 on the process for moving forward with the formation of the Steering Committee.

During the 2001-2002 update of the General Plan, a Steering Committee of interested citizens, identified then as the General Plan Public Focus Group, was formed to assist staff and the consultant in the writing of the General Plan.

Once the Focus Group completed its work in 2002, the City Council adopted the General Plan, Glendale 2025 The Next Step, on May 28, 2002, and the voters ratified the plan with 86% approval on the November 5, 2002 General Election.

Community Benefit/Public Involvement

State law requires each municipality in Arizona to adopt written procedures to provide effective, early, and continuous public participation in the development of its General Plan, from all geographic, ethnic, and economic areas of the city. The Steering Committee will represent those various stakeholder interests and will meet regularly with plan consultants to provide process oversight.

The Steering Committee, among other public participation efforts, will provide citizens an opportunity to assist with the writing of the General Plan. Increasing citizen involvement will assist the public in understanding, supporting, and implementing the General Plan.

Attachments

Ordinance

ORDINANCE NO. 2875 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING ORDINANCE 2872 NEW SERIES ESTABLISHING A GENERAL PLAN STEERING COMMITTEE TO WORK WITH STAFF TO CREATE A RECOMMENDED DRAFT REVISED GENERAL PLAN, PURSUANT TO THE PROVISIONS OF ARIZONA REVISED STATUTES, TITLE 9, CHAPTER 4, ARTICLE 6, AND SETTING FORTH INSTRUCTIONS AND CHARGES.

WHEREAS, Arizona Revised Statutes §§ 9-461.05 through 9-461.06 set forth the requirements for adoption and amendment of a general plan; and

WHEREAS, at the December 17, 2013 City Council Workshop meeting, staff presented the preliminary framework for the establishment of a General Plan Steering Committee to assist staff to create and deliver a recommended draft revised General Plan; and

WHEREAS, in addition, a presentation was provided to the City Council Government Services Subcommittee to obtain guidance on establishing a General Plan Steering Committee; and

WHEREAS, the City of Glendale has determined that forming a General Plan Steering Committee to work with staff will assist in fulfilling the requirements of said statutes; and

WHEREAS, the Glendale City Council wishes to amend Ordinance 2872 New Series, adopted on January 14, 2014, relating to the establishment of the General Plan Steering Committee.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That pursuant to Article V, Section 1 of the Glendale City Charter, the Council hereby amends Ordinance 2872 relating to the establishment of the General Plan Steering Committee ("Steering Committee") to assist City staff to create and deliver a draft revised General Plan.

SECTION 2. That the Mayor and each member of Council may appoint NO LESS THAN ~~up to~~ ~~two~~ FOUR members to serve on the Steering Committee, with NO LESS THAN seven members appointed by the Council as a whole. The total membership of the Steering Committee shall ~~not exceed~~ CONSIST OF NO LESS THAN 21 members WITH A QUORUM BEING TWELVE. All members of the Steering Committee shall serve without compensation AND SHALL BE CITIZENS OR BUSINESS PARTNERS OF THE CITY OF GLENDALE.

SECTION 3. That the Steering Committee members will be provided with an educational program/process explaining the purpose and requirements of a General Plan, public participation, and other pertinent topics. The Steering Committee will meet monthly or as needed. The Steering Committee will:

1. Provide recommendations to staff concerning the draft revised General Plan; and

2. Work with the City's Planning Department to host and/or attend community meetings for public input on the revised General Plan.

SECTION 4. That the Steering Committee is established and appointed as a limited duration advisory committee. The Steering Committee will meet ~~monthly~~ as needed. UPON CONSIDERATION AND ACTION OF THE GENERAL PLAN BY THE QUALIFIED ELECTORS OF THE CITY OF GLENDALE THIS COMMITTEE SHALL AUTOMATICALLY DISSOLVE.~~ Steering Committee's work will be completed and the Steering Committee shall dissolve upon adoption of the General Plan by the Glendale City Council.~~

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this _____ day of _____, 2014.

_____
M A Y O R

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager

c_general_plan_comm_amd

CITY COUNCIL REPORT

Meeting Date: **1/28/2014**
Meeting Type: **Voting**
Title: **COUNCIL SELECTION OF VICE MAYOR**
Staff Contact: **Kristen Krey, Council Services Administrator**

Purpose and Recommended Action

In accordance with the Charter and pursuant to City Council Guidelines, Council will designate among its members a Vice Mayor. The Mayor will accept a motion or motions, call for a second, and conduct a vote of the Council that shall, by virtue of assent of a majority, designate one of its members as Vice Mayor.

Background

Mayor and Council adopted the City Council Guidelines at the May 26, 2009 Council meeting and amended Section 8 pertaining to selection of the Vice Mayor on August 13, 2013. The Guidelines regarding the appointment of a Vice Mayor, Section 8, state as follows:

The Vice Mayor is selected by a majority vote of the Council. Effective August 13, 2013, at the first workshop of January of each year the Council will consider the appointment of a Vice Mayor for the year, with the Vice Mayor serving a calendar year term (January to January). At that workshop nominations for Vice-Mayor will be discussed by the Council. If nominations are indicated by Councilmembers at the workshop, a formal nomination and selection process will be placed on the agenda for the next regular voting meeting following the workshop. If the Vice Mayor vacates the position for any reason, the selection for replacement will proceed in a timely fashion following the process above and the selected Councilmember will serve for the remainder of the one-year term.

The Glendale City Charter provides for the composition of the Council. The Charter states: Art. II, Sec. 7. Vice Mayor: The council shall designate one (1) of its members as vice mayor, who shall serve in such capacity at the pleasure of the council. The vice mayor shall perform the duties of the mayor during the mayor's absence or disability.

Previous Related Council Action

At the January 21, 2014 Workshop, nominations for Vice Mayor were discussed by Council.